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By Eva Chang

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SATURDAY, MARCH 23, 1929

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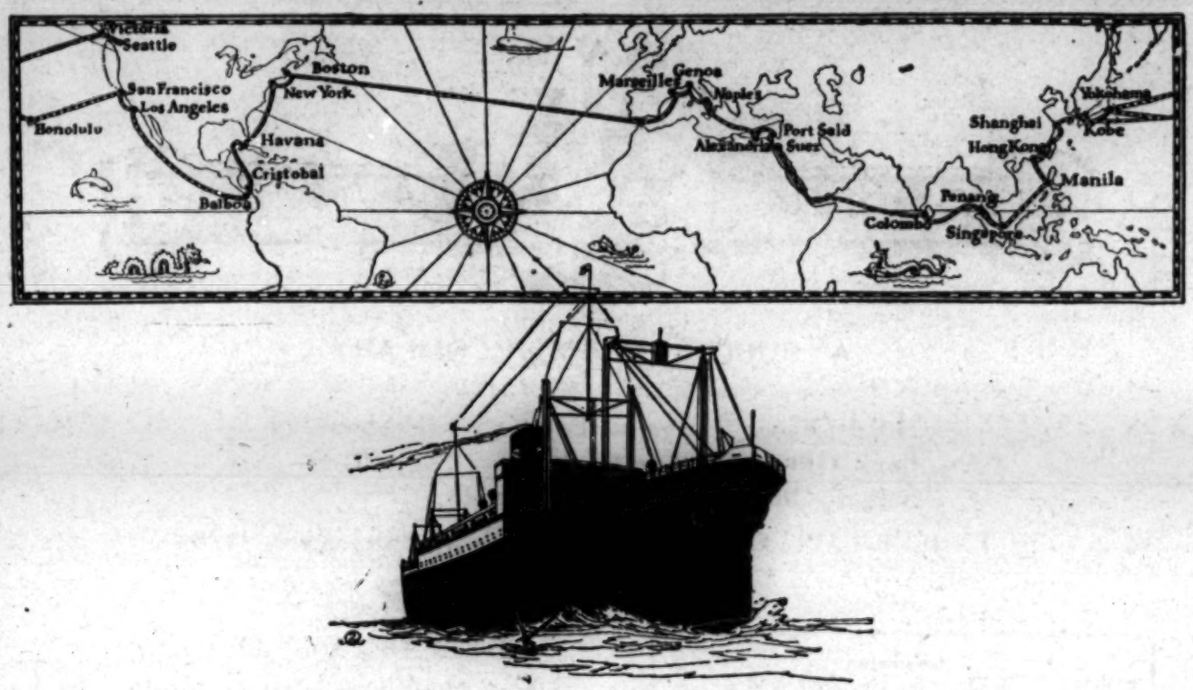

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Contents

Editorial Paragraphs
- The Question of China and the League 129
- "Advisers' Appointment Not in Good Faith?" 130
- Japan Still Investigating "Certain Grave Incident" 130
- China Takes a Fling at the N. Y. Market! 131
- Relative Merits of Chinese and American Jails 131
- Americans and Shanghai Drink Question 132
- "Robber Escaped—Five Pedestrians Injured" 132
- There are Also Some Chinese Die-Hards! 133
- America Cuts Red Tape on Opium Information 133
- The Struggle for the Control of the Shanghai Electricity Department 134

Special Articles
- The Future of Manchuria ..... By George Leslie Shaw 136
- What Is Happening at the Kuomintang Congress ..... By Eva Chang 142
- Features of China's Industrial Program ..... By David Tung Foo Hsu 143
- Proposed Forestry School at Tsingtao ..... By C. L. Keng, B. Sc. 144
- Gold in the Far East ..... By Boris P. Torgasheff 148
- Is It to be War or Peace on the Yangtsze? ..... By J. B. P. 154
- The Speculative Fever in Shanghai ..... By B. Y. Lee 158
- Men and Events 171
- Who's Who in China 162
- Japanese News Reports on Chinese Situation 164
- From the Chinese Press 165
- New Books of Interest in the Far East 166
- The Special Consumption Tax ..... By C. Y. W. Meng 169
- What the Ships Carry between America and China v

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THE QUESTION OF CHINA AND THE LEAGUE

MR. CHIANG TSO-PING, Chinese Minister to Berlin, has telegraphed the Nanking Government, suggesting that the Third National Kuomintang Congress take up and settle definitely the question of China's membership in the League of Nations. Mr. Chiang stated in his telegram that the next session of the League will be held on April 15 and that if China intended to retain her membership she should send a delegate immediately. However, he said, "If the National Government is of opinion that the League has failed to uphold the principle of justice and is not in a position to maintain world peace and order, but is merely the tool of the Powers in their game of bullying weaker nations, then it is time for us to clarify our own stand; for we must not stop even at sacrificing our membership in the League." There is hope that the Kuomintang Congress will settle the issue one way or the other because the present situation is confusing. Several weeks ago the National Government appointed Mr. Quo Tai-chi, Minister to Italy and at the same time instructed him to act concurrently as China's representative at Geneva, but a few days following this there was a news report in the local Chinese newspapers stating that a recommendation had been made that China should cut loose from the League completely. It is understood that China owes the League a considerable sum of money (more than G.$1,-000,000) for back dues, so this question also probably enters into the matter of China's continued membership, because if China does decide to continue her membership, she will be forced to pay up the back dues, a rather difficult procedure owing to the present financial stringency.

IN VIEW of the fact that China has never been able to obtain any satisfaction from the League on questions which have been referred to that organization, notably the opium, treaty-revision, or Tsinan questions, it is perfectly natural that the Chinese, being practical people, should put this matter of membership in the League upon a dollar and cents basis and ask the question, "Is it worth the money?" It has only been in recent months that the League has displayed any particular interest in the Far East, or at least in China and if the truth were known this recent interest came from China's threats to withdraw following the refusal last year of the League to elect the Chinese delegate to membership on one of the important committees. China was turned down for some small European country which probably has a population less than that of some Chinese province. There may have been some excuse for the League's refusal to concern itself in the question of Japanese military

intervention in Shantung owing to the fact that China at that time was still a battle ground between the Northern and Southern factions, but this element has had nothing to do with the League's continued refusal to do anything constructive in regard to the opium and narcotics problem. The reason for the refusal to do anything in respect to the suppression of opium has been due purely to the fact that the nations dominating the League, Britain, France, Holland, Japan, Portugal, etc., all derive vast income from the opium monopolies which are maintained in their Far Eastern colonies. Practically the same elements have prevailed in connection with the treaty-revision question. In other words, how can China ever expect to obtain any satisfaction from the League in respect to the abolition of extraterritoriality when the League is controlled by the nations which possess extraterritorial rights in China which they do not desire to give up? From a practical standpoint, the League of Nations is only of value to China as a means of publicity and should be regarded on that basis only. Whenever anybody of consequence makes a speech or creates a row at Geneva, the story is telegraphed all over the world and doubtlessly has some effect in influencing public opinion on these various so-called international questions. But from the practical standpoint of ever expecting to obtain any results in definite decisions of benefit to this country, there is very little hope so long as the League of Nations is dominated by the very Powers which have so-called special interests in this part of the world which they have no intentions whatever of relinquishing except when forced to do so. China is therefore perfectly correct in considering her membership in the League purely from the standpoint of dollars and cents received in the form of international publicity and from no other standpoint.

"ADVISERS' APPOINTMENT NOT IN GOOD FAITH?"

MR. John Otway Percy Bland, or to use the name by which he is familiarly known on the China Coast, "JOP" Bland, formerly connected with the Chinese Maritime Customs and later secretary of the Shanghai Municipal Council and according to popular report still on the Council's payroll as London representative and propagandist, recently contributed an article to the London *Sunday Times* in which he charges the Chinese National Government with lack of good faith in its recent employment of American advisers. He also expresses similar views regarding the appointment of Sir Frederick Whyte as political adviser. "These appointments," according to Mr. Bland, "are manifestations of China's traditional statecraft rather than an indication of any immediate prospect of deliberately planned reforms in the country's methods of administration and finance." Continuing, he declared that "these appointments are in the nature of a gesture, intended, on the one hand, to create abroad the impression of progressive activities, and, on the other, to strengthen the position of the Nanking Executive Committee, thus reinforced; to encourage its supporters and give pause to its opponents." Mr. Bland, who since his return to England in 1910 has called himself an "author and journalist" then alleges that "ever since the Chinese first began to be seriously perturbed by the impact of the West, they have repeatedly resorted to this gesture, not always actuated by the same incentives, but always, as events proved, with the same mental reservations and always in the hope of thereby creating international rivalries and jealousies." China's appointment of American advisers in the present instance, according to Mr. Bland, is to serve two purposes: First, to create in diplomatic circles an atmosphere favorable to the revision of the 'unequal' treaties and the abolition of extraterritoriality, and secondly, to facilitate the negotiations which they contemplate for raising a loan abroad. In conclusion he says, "without pursuing further this somewhat delicate question, it may safely be predicted, by the light of many precedents, that China's latest advisers will speedily learn more than they can ever hope to teach, and that, like, Mr. Silas Strawn (chairman of the American Tariff and Extraterritoriality Commissions), they will eventually return to God's own country sadder and wiser men, with a greatly changed conception of Chinese affairs."

WHETHER Mr. Bland's forecast in regard to the National Government's appointment of American advisers will prove to be correct, only time will tell. But of one thing we may be certain: China's present attempt to modernize her currency and fiscal system will certainly be a failure if Mr. Bland and his backers in London are able to make their point of view prevail. Mr. Bland started his propaganda campaign against treaty revision and in favor of a "strong" policy toward China on the part of the Powers, immediately following the Washington Conference in 1925. He opposed the policy of treaty revision adopted at the Washington Conference and since 1925 he has been attacking the British Government for its so-called conciliatory policy. Two years ago he was one of the leading advocates of foreign military intervention and since that time has contributed articles and letters to the British press in opposition to the present policy of the British Foreign Office in respect to treaty revision. Mr. Bland would like to see Great Britain go back into the Anglo-Japanese Alliance directed against both the United States and China. In particular he is most unhappy at China's recent appointment of American advisers, and as stated in the foregoing, if he could have his way he would have them all sent home.

JAPAN STILL INVESTIGATING "CERTAIN GRAVE INCIDENT"

THE QUESTION of Japan's complicity in the assassination of Marshal Chang Tso-ling at Mukden on June 4 of last year, came up again for discussion in the Japanese House of Peers on March 6 when Baron Inoue Kiyodzumi asked the reasons for the contemplated increase of the Japanese garrison in Manchuria and demanded a clear statement from the Minister of War as to whether he really believed that he was free from responsibility for the blowing up Marshal Chang's train. The War Minister, General Shirakawa, replied that the Japanese garrison in Manchuria was considered inadequate at this time and as regards the "certain grave affair in Manchuria" it was still under investigation. Baron Inoue took exception to this reply and declared that the Government had been constantly putting the legislature off on the pretext that the matter "was still under investigation. "He said that if the Japanese garrison in Manchuria was responsible for the Mukden bombing that the Minister of War should resign. Baron Inoue also wanted to know what explanation the Government had to offer for the fact that the Japanese troops, which had always guarded the crossing of the South Manchuria (Japanese-owned) and Peking-Mukden railways, had been withdrawn a

few hours before the explosion occurred. General Shirakawa denied that the Japanese authorities in Manchuria "had anticipated any incident of this kind." Dr. Egi Tasuku, another member of the House of Peers then recalled that following a previous case of this kind several years ago the House of Peers had withheld its approval of the naval building expenditure on the ground that the Government "could ill afford to entrust the naval building program to a cabinet which had been responsible for a scandal." The War Minister finally said that he would take responsibility for the "grave affair" if the investigation showed him to be responsible and then explained that the authorities "were doing their best to probe the matter to the bottom as soon as possible." Dr. Egi Tasuku then wanted to know what the War Minister proposed to do "in the event of the investigation of the Mukden affair failing to disclose the truth of the case," to which the Minister replied that if all the efforts which the Government was taking "to probe the case" failed, it was impossible for him to take any action. Another interesting matter brought up in the course of the debate was the old question of the War and Naval portfolios in the Japanese Cabinet being open to generals and admirals only. The War Minister replied to this by declaring his staunch advocacy of the present system on the grounds that if these important Cabinet posts were open to civilians "it might allow the incursion of party evils into the military services."

CHINA TAKES A FLING AT THE N. Y. MARKET!

OBVIOUSLY, it is quite a novelty to sit at a Chinese dinner table and listen to Chinese bankers, businessmen and officials discuss between the courses of sharks-fins and pork-fried-in-honey, the latest quotations on the New York Stock Exchange. One man is explaining how he bought Radio Corporation at 54 and sold at 50. "If I had only held on to my stock for another six months," bewails one banker, but his further remarks are drowned by another, a young diplomat who told how he bought fifty shares of General Motors and "did you see what happened to General Motors yesterday," he declared as he produced a clipping from one of the local foreign papers that contained the quotations—three days old—but still interesting to the man who holds fifty shares. Yes, the Chinese, lovers of speculation, have discovered the New York Stock Market and according to one of the local dealers in investment securities, they are responding with enthusiasm quite similar to the response in the American and other foreign communities on the China coast. Somebody tells a story of a young employe of a foreign firm stationed in an interior city who managed to save $2,500 in three years. He sent it down to one of the local foreign banks with instructions to invest it in American stocks and bonds. Then he subscribed for the home newspapers carrying stock quotations and when he saw that some stock showed promise of advancing he sent instructions to buy. If it went up, even a few points, he sold and invested in something else. If the stock dropped, he held on to it. In a few months he had doubled his holdings and had become a sort of financial adviser to his little circle of Chinese and foreign friends who were following his example. One man tells you that he received a letter from a "friend on the inside" in New York advising him to invest in so-and-so and another man tells you he has just sent $3,000, his entire savings, to a friend in Chicago with instructions to invest it in American bonds. Yes, the American stock and bond market has come to the China coast and one doesn't hear so much anymore about the London market which formerly held the center of the stage. There is significance in this of course; this shifting of attention from the European to the American markets. It is a visible indication of the shifting of the world's financial center from the Old to the New World—a visible indication of the rapidly expanding American industrial establishment all over the world. Last week *Reuters* had a report from London telling how a big British industrial concern had decided to take action to prevent American control, but in the same paper was a report from Berlin, telling, rather joyfully, it seemed, about the purchase of a leading German motor car works by one of the American giants of the automobile industry. "Now the so-and-so works will be able to dominate the European market," explained the report, with the further comment that this would be made possible "due to the incorporation of American genius and capital." We do not know whether the American businessmen and bankers at home realize what they are doing, but there is no question but what the whole world is giving close attention to the results of their actions, as indicated in the cabled *and radioed* reports of the New York market.

RELATIVE MERITS OF CHINESE AND AMERICAN JAILS

IF THE AVERAGE American in the Far East had to choose between an American and a Chinese jail as a place of incarceration he would choose the American jail of course, the reason being that according to popular opinion among the foreigners in the Far East, the Chinese jails are rather uncomfortable, if not primitive affairs. This subject of the relative merits of Chinese and American jails is suggested by an editorial in the *New York Times* which referred to a report of the U. S. National Crime Commission which was entitled, "Propagating Crime Through the Jail and Other Institutions for Short-Term Offenders." This report, which seems to have raised a considerable stir in the United States dealt with conditions in the jails of some eleven of the states of the American Union. In Iowa, for example, very few of the county jails had separate compartments for men and women and no segregation for first-offenders. "The country jail," declared the report, "was just a school of idleness, degrading association, vice, the most vicious and corrupt agency connected with our penal system. In reference to conditions in the state of Kansas the report stated that the county jails were "crime schools and crime breeders." In California, "taking the state as a whole," read the report, "one-half of the jails are dark and poorly ventilated; one-third have inadequate bathing facilities; one-third are overcrowded; five-sixth are violating the state law as to segregation." In Wisconsin it was found that "children were detained in company with adult criminals." The report recommended that the control of local jails be taken over by the State "as England did fifty years ago." The report is interesting in connection with the matter of abolishing extraterritoriality due to the frequently expressed charges of mediaeval conditions prevailing in Chinese jails; and is reprocuced here not for the purpose of condoning jail conditions in China, but for the purpose of showing that all of the virtue does not exist on the side of the foreigner.

AMERICANS AND SHANGHAI DRINK QUESTION

AMERICANS in the Far East, but particularly in Shanghai will not get much pleasure out of reading an article which appeared in the Chinese owned and edited magazine, *The China Critic*, last week dealing with the drink question, a part of the article being as follows:

> President Hoover in his inaugural address laid particular emphasis upon the enforcement of the Prohibition Law. As a race the Chinese know moderation in the matter of liquor, and consequently we do not begrudge anyone a little drink of good cheer. But the situation in Shanghai with reference to the American community is singular indeed. There is the American Court in China extending the hand of justice to all American citizens, more for protection against Chinese 'barbarism' than for the enforcement of American law. American Jurisdiction exists in China today just as it does on any boat flying the American flag. On such boats liquor is not served, but in China the Americans, still living under American jurisdiction may drink most freely. Here is a bit of human psychology stranger even than Chinese 'barbarism,'"

The editorial in the *Critic* dealt in the main with the recent unfortunate Clausing case (See *The Review* for March 9), wherein the conclusions reached by the Chinese editor were the same as our own that Lieut. and Mrs. Clausing would still be alive had it not been for the liquor element. Since human beings only learn from their own mistakes there is hope that the Clausings have not died in vain and that foreigners in Shanghai, particularly Americans, have registered a few vows to "stay off liquor." Obviously it would be difficult to legally enforce prohibition in the American community in Shanghai in view of Shanghai's reputation as the "world's wettest port", but obviously it wouldn't do American national prestige any particular harm with the Chinese people if some Americans didn't take quite so much pride in their ability to consume alcohol. Recently there has been considerable in the news regarding President Hoover's determination to enforce the Constitution on the drink question. Congress has just passed a new law increasing the penalty for violation of the prohibition law and in addition President Hoover has appointed a national commission composed of prominent educators, jurists, and businessmen w h instructions to make recommendations for fur er government legislation on this question. The pr ent Administration appears to be in earnest on this quesion, hence the high necessity for Americans in this part of the world to pay some attention to their own personal activities in respect to this question. As stated, it probably would require the services of the American Marine Corps to prevent Shanghai Americans from consuming liquor, but there is nothing to prexent each individual American from doing his own part to show the Chinese and other foreigners with whom we associate, that we have some regard for the laws of our own country and in particular the national prestige of our home land on this question.

"ROBBER ESCAPED—FIVE PEDESTRIANS INJURED"

THE ABOVE is a headline from one of the foreign newspapers in Shanghai on Monday of this week which told the usual story of innocent bystanders being seriously wounded as a result of a running gun-fight between the police and alleged robbers. The report in the foreign newspaper placed the blame for the shooting of the pedestrians upon the robber, but one wonders by what proces of deduction the reporter who wrote the story arrived at that conclusion for at the beginning of the account it was stated that the policeman and robber were firing at each other as they ran through various streets and alleyways in one of the most congested districts of the city. As a matter of fact the police man claimed that two of the robber's bullets struck his steel vest, which would seem to indicate that the alleged robber may have been a better shot than the policeman. This occurrence, which happened last Sunday night, was as stated only one of many similar occurrences which have become so common as no longer to cause comment. A few days prior to this incident there was another in which an innocent Chinese was the victim of police bullets, the alleged law-breakers again making their escape. Then to go still further back the *Shanghai Times* on Feb. 27 contained the headline, "Two Gunmen Shot Dead by Police—one Pedestrian Killed and Two Others Wounded". As a result of this situation, one of the prominent officials of the National Government wrote a letter to *The Review* this week which in part stated, "Since I arrived in Shanghai, I have noticed the usual way in which the Shanghai police have been conducting raids and search-parties which, oftener than not, result in the killing and wounding of innocent pedestrians. Although we commend the police in their work of rounding up robbers, we must at the same time call upon them not to recklessly and needlessly injure innocent bystanders. The responsibility for these injuries and deaths rests with the police and in any other country the policemen responsible would be held for manslaughter. Obviously, the police should use some judgment as to when they begin firing in a crowded street." The man who wrote this letter was most moderate in his statements. He would have been more accurate had he stated that the actions of the Shanghai police in firing into crowded streets indicated a callous disregard of human life unequalled anywhere else in the world. Obviously no policeman in London, New York or anywhere else would be guilty of such act and if he did he probably would find himself occupying a cell alongside the criminal he was trying to "get." To make the matter more specifie: No member of the Shanghai police Force would think of firing into a crowd of foreigners in Shanghai, but he doesn't hesitate to do so when the crowd is Chinese. Several days ago the Shanghai Municipal Council issued a proclamation addressed to the Chinese public "warning all persons to seek shelter in such cases," which strikes us as being the height of asininity for how are the hundreds of Chinese pedestrians who throng the Shanghai streets at night to know when the police are to start shooting and even if they could know, where would they go to get out of range of police bullets? Up the electric light poles? These incidents, of course, serve to accentuate again the antiquated police methods which prevail in the Shanghai International Settlement, methods equally on a par with the old secret orders, "Shoot to Kill" which were responsible for the May 30 incidents of 1925 which resulted so disastrously for British interests throughout China. The present practice of indiscriminate firing into crowded streets is likely at any time to cause trouble just as serious as the incidents of 1925, for should the police happen to kill some prominent merchant or official the whole Chinese population would be up in arms with possible results not necessary to speculate upon. It is no secret that a serious feud exists and has existed for many months in the Settlement between the police and the gangs of armed Chinese desperados who

have selected the Settlement as their scene of activities. Scarcely a week goes by but what some policemen is killed or wounded and while we do not wish to give the impression of tender-heartedness toward armed desperados, we cannot seem to see where society is the gainer if from one to a half dozen peaceful, law-abiding citizens have to be sacrificed for every desperado that is bagged!

THERE ARE ALSO SOME CHINESE DIE-HARDS!

SO MUCH HAS been said in recent months and years regarding foreign die-hards who do not want to relinquish their so-called "special interests" and hence are opposing progress in China that it is refreshing to read in the reports of the *Kuo Wen* news service that the Chinese Government as well as reformers outside of the government are having trouble with certain Chinese die-hards who are opposing the modernization program or at least that part of the program that touches their pocketbooks. The most notable case is the opposition of the Chinese "herbalists" and native medical practitioners to the program for modernizing the Chinese medical profession which was adopted at the recent conference of foreign, scientifically trained Chinese doctors, which was held at Nanking under the auspices of the Ministry of Health. According to the regulations which were adopted at the Nanking conference, all Chinese doctors, old-style and new-style, are to be registered and after Jan. 1, 1930 no doctor is to be granted a license to practice unless he has a diploma from a modern medical college. This was an excellent move on the part of the modern trained doctors, who actually only number about 1,000 in the whole country, but immediately following the publication of the regulations in the Chinese newspapers, things began to happen in the ranks of the old-style practitioners, who rely upon herbs, charms and various other methods for curing diseases. Dr. Tu Ching-sien, a spokesman of the old-style practitioners, who probably outnumber the modern doctors at the ratio of a thousand to one, declared that the enforcement of the new regulations limiting the practice of medicine to the western trained men "would constitute a great menace to the civilization of China." Further on in his interview Dr. Tu exposed the real motive for his opposition by declaring that a "few-tens of foreign-trained doctors should not be allowed to deprive millions of 'regular' Chinese doctors of their livelihood and Chinese medicines must not be given up in favor of imported drugs which are considered to be incomplete and in many cases inferior to the native remedies of the Chinese." According to the reports which have appeared in the Chinese newspapers the Chinese Chambers of Commerce have taken up the cudgels on behalf of the old-style doctors, so from the present outlook the western-trained doctors are not to have things all their own way despite the fact that they have science and progress on their side.

THE SAME REPORT by the *Kuo Wen* news agency contained further indications of die-hardism in Chinese circles. Sometime ago the Health Department of the Chinese Municipality of Greater Shanghai announced certain regulations regarding the inspection of meats sold in Chinese territory outside of the foreign settlements. One of the regulations provided for an inspection fee of ten cents (silver) for every pig slaughtered, the fee going toward the support of the Health Department which is staffed by a number of western-trained Chinese doctors who have had practical experience in health and disease-prevention work abroad. But the Chinese butchers who serve customers in the Chinese city did not want to be inspected; in fact they wanted no interference whatever in their ancient custom of selling any and all kinds of meat, whether fit for human consumption or not. The result was a general strike of all the pork-butchers and the sending of a deputation to the local municipal authorities for the purpose of voicing their protests against the proposed reforms. Then for still another and even more fundamental exhibition of die-hardism in Chinese circles which has to do with the matter of abolishing the pernicious likin or transit-tax, a mediaeval form of imposition which has done more to retard the commercial and industrial development of China than any other single factor. Sometime ago the National Government announced the abolition of the likin tax in the five provinces over which the Central authorities have direct control, that is, Kiangsu, Kiangsi, Fukien Chekiang and Anhwei. In order to make up for the abolition of likin, the Government announced a consumption tax to be levied upon certain products at their source. The Chinese merchants apparently were glad to have likin abolished, but they didn't want to pay the new consumption taxes and again there was the usual outcry and resolutions through the chambers of commerce and so on. And while on this subject of die-hardism, mention should be made of the opposition which has been raised in both Chinese and foreign commercial circles to the proposed factory law which the Government has under consideration and one provision of which is that a certain proportion of the profit must go to the laborers in the form of bonuses. What the Chinese authorities are trying to do is to adopt legislation which would obviate the capital-labor struggles which have been so destructive to both capital and labor in other countries. It is understood that most of the Chinese industrialists favor the new law; as a matter of fact they were represented on the commission that helped draft it. But the foreigners in Shanghai do not want the law and have been passing resolutions through their chambers of commerce, which have been forwarded to the National Government through the usual channels of the consuls and ministers. Whether the proposed law is a good one or not, we are not in a position to say but on the face of things it would appear that the foreigners are making a mistake in raising too much of a row about it because if they arouse too much antagonism the Chinese have it in their power to retaliate in too many different ways to merit mentioning here. It was also interesting to note that in the midst of the discussions regarding the proposed law one local foreign company announced a dividend of eighteen percent on the year's working. Perhaps this was an unstated reason for the objection to the new law!

AMERICA CUTS RED TAPE ON OPIUM INFORMATION

ONE of the greatest hindrances which those who have led the fight against the opium traffic throughout the world, and particularly in China, have had to deal with is a situation somewhat similar to that which was recently referred to in the United States by Senator Reed of Missouri who in a fiery speech referred to those who "vote dry and drink wet." This thought is applicable in connection with the opium traffic. There are not a few vested interests, yes, even nations, that pretend to be doing all they can to stop or decrease the opium traffic, who as a matter of fact are doing their level best to

continue it because of the revenue it produces. These back-stairs influences have always been a potent obstacle to real progress in suppressing or decreasing the evil. It is doubtless with a view to coping with this situation that the United States has been negotiating with various foreign nations to cut some of the red tape, and, according to the *United States Daily*, of February 19, informal arrangements have now been reached by the United States with thirteen nations whereby information on the smuggling of narcotic drugs is to be exchanged directly between governmental agencies charged with control of opium traffic, without first passing through diplomatic channels. The United States has designated L. G. Nutt, of the United States Treasury Department, as the person who is to have charge of the exchange of information on its behalf and the various other countries concerned have also designated some individual or bureau that is to cooperate with Mr. Nutt. Particularly noteworthy is the fact that Japan, the Netherlands, Great Britain and Turkey are among the nations with which the United States is to exchange such information on opium. Japan's acceptance of the arrangement is somewhat conditional. The proposition from the United States was to exchange "photographs, criminal records, finger prints, Bertillon measurements, description of the methods which the persons in question have been found to use, the places from which they have operated, the partners they have worked with, etc." The Japanese government, while agreeing to the idea in principle, states that it may "possibly find itself unable to conform to the proposals with respect to those modes of evidence." The Dutch government has accepted the U.S. proposal without comment, and has designated the Chief of Police of Amsterdam to communicate with Mr. Nutt. The reply of the Turkish government is also somewhat conditional. It states that while it is willing to cooperate it is not willing to hinder the commerce in and exportation of crude opium, which constitutes one of Turkey's chief exports. The British acceptance of the American proposals is unconditional. The correspondence exchanged between Great Britain and America indicates that great pains have been taken to see that information exchanged both by post and by telegram shall be kept confidential.

The Struggle for the Control of the Shanghai Electricity Department

ON TUESDAY, March 19, the officials of the Municipal Council of the International Settlement opened bids which had been submitted by three competing foreign interests for the purchase or leasing of the Electricity Department, a municipally-owned public utility. It was found that three offers had been made to purchase the plant and one offer to lease. Of the three offers to purchase, the highest was made by an American concern known as the American and Foreign Power Company, Inc., its bid being Tls. 81,000,000, or approximately G. $50,000,000. The other two bids were made by a British company known as the British Trusts Association, Ltd., one being Tls. 51,000,000 (about G. $33,000,000), and the other, or alternative bid being £7,200,000, conditional on certain changes being made in the proposed franchise. The fourth proposal, that of leasing the plant under a profit-sharing arrangement, was made by another British interest known as Lord Meston's Group, or the English Electric Co. Ltd. which is represented by the Hon. R. D. Denman. The bid of the British Trusts Association, Ltd., also included a leasing plan but did not specify terms.

The Shanghai Municipality thus has two alternative proposals for the disposal of the plant: outright sale or lease. From the standpoint of selling the plant, it would appear on the face of things that the situation is a more or less clean-cut issue between British and American interests. However, this is not entirely the case because there is a considerable British interest in the American and Foreign Power Co., Inc, the British interest being represented by the Whitehall Electric Investments, etc., which are controlled by American interests, chiefly represented by the General Electric Company, the Electric Bond and Shar Company of New York, etc. These interests in the United States are popularly known as the so called "Power Trust," or "Super-Power Trust." If the Shanghai Municipal Council decides to sell the plant, it thus has two definite offers, one from a responsible American company which bids Tls. 81,000,000 and one from an equally responsible British company which bids Tls. 51,000,000. Other conditions being equal, and they *are* since both bids are based on the tentative franchise which the Council has made public, the Municipality will be obligated to accept the American offer, the reason being that the American offer is exactly Tls. 30,000,000 in excess of the highest British offer.

So much for the proposal to sell! Now for the leasing proposition, which, unfortunately, has not received the attention it deserves in the reports which have appeared in the local foreign press. The leasing proposal which was submitted by Mr. Denman on behalf of Lord Meston's Group, recommended that a Shanghai Municipal Electricity Company lease the electricity undertaking on terms of paying for the interest and sinking fund installments on all the Council's Electricity Loans, plus a fixed rent of Tls. 2,000,000 a year. After the payment of a 9 percent dividend on the Company's ordinary shares, three-fourths of the surplus profits would go to the Municipality and one-fourth to the Company. A sliding scale of benefits to consumers is included in the plan which operates after 10 percent is paid, not on the whole capital of the Company, but on the ordinary shares only. This plan, which is quite well known in England due to its application to the Beam Wireless System and several of the Indian railways means in simple language the Municipality would retain ownership of the Electricity Department and would lease it to a British operating company for a specified number of years on a profit-sharing basis. It would guarantee the security of municipal debentures based on the electricity undertaking and at the same time provide the element of efficient private operation and protection which might not be possible under municipal control in view of certain political eventualities. To put it another way, the leasing plan "is a normal device for combining the advantages of Company control with a continued public share in profits, and it effects these objects with the minimum of change in the conduct of the undertaking, and with the economy that goes with the application of the sound principle of 'new money for new work only.' Furthermore, it would provide in a high degree a feature of special importance to the public in this case, that is community of interest between the Authority, otherwise the Settlement and the leasing company."

Whether the Settlement authorities will recom-

mend the acceptance of the sale or leasing plan is unknown, but from present indications the tendency would be to sell, the reason being that by selling the plant the powers-that-be in Shanghai would satisfy their chief motive for desiring to dispose of the electricity undertaking which is the liquidation at favorable prices of outstanding municipal debentures. The Shanghai public has not been and probably will not be imformed of the inside reasons for the apparently sudden decision to dispose of the Electricity Department, but according to common report, the Settlement authorities decided to dispose of the electricity undertaking immediately after receipt of definite information that the Powers will no longer give any definite assurances regarding the preservation of the foreign status of the Settlement. When the authorities of the international Settlement made that discovery, they immediately decided to dispose of the Electricity Department in order to obtain funds to liquidate the outstanding municipal indebtedness amounting to approximately Tls. 55,000,000, most of which is held by local foreign (British) interests. Therefore, looking at the situation from the purely selfish interests of the holders of Municipal debentures, the American offer of Tls. 81,000,000 for the plant comes as a sort of "Gift from the Gods" for it would enable the Settlement to liquidate its entire bonded debt and still leave a quarter of a million taels in the treasury.

There is, of course, another side to the story and that is the side of the public which consumes electricity and this includes the vast Chinese population and interests in the Settlement, who have been almost entirely overlooked. A careful inspection of the tentative terms of franchise which were published in the Shanghai newspapers on Wednesday, March 20 shows that while the prospective purchaser would be prevented from increasing the present rates, there is no clear obligation to reduce rates below the present published schedule in the event of larger volume or more efficient methods of production making such possible. Article 13 of the tentative franchise states,

> "It would be a condition that all consumers of electricity should not have to pay more for electricity..... with the exceptions that in the event of any or all of the following factors being influenced in higher costs to such an extent as to adversely affect the Company's total production costs."

Among the possible factors listed that might be responsible for increased costs are, plant, buildings, cables or other materials, fuel, oil, stores, labor, rates and taxes, insurance, depreciated local currency or additional or unavoidable expenses caused by legislative or administrative acts of a government or public authority or any direct or unavoidable influence, other than over-capitalization. There is a saving clause that no increase in costs for current for any of the foregoing reasons could be made without the written consent of the Council, but on the other hand it would seem to be only fair to the consumer that there should also be a definite provision in the franchise for reduction of rates should circumstances warrant. From the standpoint of the Council itself, Article 4 provides that the Company shall pay the Council a royalty of 5 percent of the money value of the total gross sales of electricity to consumers during each and every year the franchise may be in operation. The only definite provision for possible reduction of rates to consumers is in Article 8 which provides that in the event the Company's profit for any one year exceeds 10 percent calculated on the total capital investment then the Company will be required to allocate one-half of any such surplus in excess of the said 10 percent to a "Consumers' Reserve Account" for the purpose of reducing rates of charge for electricity for consumers. "Subject to this proviso it is not the intention of the Council to insert any other clause restricting profits." A comparison of this proposal with that of the leasing-scheme will immediately show the advantage of the leasing plan over the sale plan when considered in the light of the interests of the consumers of electricity.

By selling the plant under the conditions covered in the Council's proposed franchise, the Council would receive an income of approximately Tls. 600,000 a year based on the present gross income from sales of current. Under the leasing plan the Council would be assured of an annual income of Tls. 2,000,000, and would still retain the ownership. Furthermore, under the leasing plan after the payment of a 9 pereent dividend on the Company's ordinay shares, three-fourth of the surplus profits would go to the Council and one-fourth to the Company. The leasing-scheme also provides for a sliding scale of benefits to consumers which operates after 10 percent is paid, not on the whole capital of the Company, but on the ordinary shares only.

Aside from the foregoing elements there are some extraneous, or what one might term dramatic phases of the situation involved in the proposed sale of the plant and the American and British bids which have been submitted that are worth recounting in view of their possible effect upon the final decision which will be made by the Ratepayers (qualified foreign voters) at the annual meeting on April 17. The Shanghai foreign settlement, which has always been called "International" was, until the inclusion of Chinese members on the Council last year, actually a British Concession. The Electricity Department, although a municipal enterprise and therefore "international" has always been operated as a purely British enterprise from the standpoint of equipment. It was only during the course of the World War that American electrical manufacturing concerns ever had a "look-in" on the sale of supplies. Prior to the war it is understood that a small amount of German equipment was purchased, but generally speaking the plant has been a British undertaking, pure and simple, and aside from the Crown Colony of Hongkong, the Shanghai Municipal Electricity Department has constituted the chief purchaser of British electrical materials in the Far East. Obviously, British commercial and industrial interests will not give up this valuable outlet for their manufactured products without a struggle, particularly in view of the serious economic conditions now prevailing in England. As far as the personnel of the Shanghai Municipal Council is concerned, the British members are now outnumbered by non-British members, the ratio being, British 5, Americans 2, Japanese 2 and Chinese 3. The situation from the standpoint of the Ratepayers, is however, quite different,due to the fact that the British propertied interests predominate. If the British stick together as a unit as they have a habit of doing on vital questions affecting their so-called "Empire Interests" they can out-vote the non-British interests. It is impossible to forecast what is likely to happen at the Ratepayers meeting, but there is likelihood of various proposals being submitted that might have the effect of splitting up the British front, in which case anything might happen, even a decision to ignore the interests of the debenture-holders and continue the Electricity Department as a municipally-operated enterprise as at present conducted.

Looking at the situation from the standpoint of the American commericial interests,there can be naught but admiration for the boldness and vision which inspired the American and Foreign Power Company to startle

Shanghai out of its lethargy by making an offer for the Electricity Department which is approximately three times the physical value of the property. It required courage of a high order to make a bid of this kind, especially in view of the present unsettled conditions prevailing in China generally and particularly in view of the uncertain outlook regarding the future of the Settlement and the obvious certainty of the early abolition of extraterritoriality. There is a certain amount of grim humor involved in the American bid of *Tls. 30,000,000 higher than the highest British bid*, because the very magnitude of the American bid makes it obligatory that the American offer must receive serious consideration. The humor involved is based on the fact that the American and Foreign Power Company, Inc, is dominated by certain American electrical manufacturing interests which have been "frozen-out" from the standpoint of selling supplies to the Shanghai Electricity Department. The American company, of course, knows exactly what it is doing in making this bid, which is not based on the present situation, but on the future. The British bid of Tls. 51,000,000 was a typically conservative British estimate based upon actualities. The American bid is based on future possibilities which envisages Shanghai as one of the great industrial metropolises of the world. Furthermore, the promoters of the American enterprise doubtless feel that the control of the Shanghai Electricity Department would provide an entering wedge for expansion throughout China When considered from this standpoint, it is quite possible that the American company might have offered a still higher price, knowing full well that the future development of China will, in all probability, justify the investment. The American company and affiliated interests control electricity enterprises all over the world, even in England, and they have proved over and over again their ability to give efficient service, if not always the cheapest service.

Perhaps the most interesting phase of the whole dramatic situation will be the possible Chinese reaction. Up to the present the Chinese have expressed opposition to the sale of the plant to private interests, the expressed reason being based on the proposition that since the Chinese have contributed to the upbuilding of the plant through the payment of from 60 to 80 percent of the local revenues from taxation and constitute the chief consumers of electricity, they are justly entitled to be consulted in connection with the proposal to sell the plant. The Chinese know that the Settlement will sooner or later be surrendered to Chinese control and if the Electricity Department is not sold, it will automatically pass into their control. Furthermore, the Kuomintang Party which dominates the political situation in China is generally opposed, from the standpoint of principle, to the private ownership of public utilities. However, the possible investment of a large amount of American capital in an enterprise on Chinese soil, would, in all probabilities arouse favor in the eyes of the Chinese Government which is looking abroad for capital for reconstruction purposes. There will be many Chinese who will look upon this possible American investment favorably because of the belief that it may mean the beginning of large American financing of China's reconstruction program. This will uhdoubtedly have a bearing on the Chinese attitude and should the American financial interests be sufficiently far-sighted to offer some kind of an equitable partnership to Chinese interests, this probably would have the effect of offsetting certain Chinese objections based on political grounds.

(Continued at foot of next column)

The Future of Manchuria

BY GEORGE LESLIE SHAW

(Fortnightly Review, London, for December, 1928)

TWENTY-TWO years' residence in Antung, with exceptional opportunities and many channels for gaining knowledge of affairs and conditions in Manchuria, entitle me, I imagine, to claim some authority on the problems which emerge when the future of Manchuria is under discussion. Does that future depend upon Japan? It is generally recognised that, as between Japan and China, Manchuria is a "vital question." Japan's action in Manchuria after the war of 1904-5 has been unmistakable in its quality and direction. No careful observer on the spot, at least, has been under any misapprehension as to her policy. Japan's policy was dictated by her needs. Let it be said at once that her greatest need was not an outlet for her surplus population. Japan has ample vacant spaces in her home-land. Japan's real need was for the raw materials vital to her industrial prosperity, nay, existence. Coal, iron, foodstuffs—all were urgently needed, and Japan knew enough about Manchuria to know that in that vast province—an area of over 330,000 square miles—there was room enough and to spare for her surplus population—potential agricultural products to supply with ample foodstuffs the ever-growing population of Japan, masses of mineral wealth waiting to be exploited to render Japan independent of any foreign supplies. No one in the West will fail to see that astute Japanese statesmen saw in Manchuria a glittering prize to be won by such means and measures as were at their disposal.

Some of the Obstacles

Unfortunately there were obstacles. Russia being the most formidable. Russian forces occupied the province during the Boxer rising in 1900, and they remained there despite the Manchuria Convention (1902). Korea was another obstacle—one to be dealt with before the greatest could be attacked. That is another story. But it is one which demonstrates that Japanese means and measures were highly effective. Indeed, Korea is, in the Far East, held up as at once an example of the efficiency of Japanese means and measures, *and warning*! It is true that the ancient Korean State was in a derelict condition, governed by an effete dynasty, that her statesmen were corrupt, that her people were untutored in modern ways, and that they were ultra-pacific. As our American friends would say—*Korea was easy fruit*! For ten years before the outbreak of the Russo-Japanese War (1904) Japan had slowly but surely gained a stranglehold on Korea, and was in a position before she declared war to force a treaty which marked out Korea as a jumping-off ground for Japanese military operations against Russia. That treaty stipulated for the withdrawal of all Japanese forces at the termination of hostilities. In defiance of treaty pledges they were maintained there, and Japan subsequently usurped all authority, political and administrative, and, finally, annexed in 1910 the whole peninsula. It is now an integral part of the Japanese Empire.

The bearing of all this is what I want to emphasize. In the West it is not properly understood that Manchuria now is bounded by two powerful States whose interests, political as well as economic, have already violently clashed in very recent years—on the North and East by Russia, and on the South, beyond the Yalu River, is Korea. Manchuria at the time Japan annexed Korea was but sparsely populated, especially in the North and West. It became a matter of primary importance to Japan that she should secure some very solid advantages from the proximity of this huge stretch of uninhabited country. The result of the war left Japan in occupation of South Manchuria—master of Port Arthur and possessor of all the territories, leases, concessions Russia had gained by conquest and treaty—in a word, the entire fruits of Russia's activities in Manchuria for over a quarter of a century. China's sovereignty of the soil hardly entered into the questions argued about and fought over. The Imperial Government at Peking had really lost authority, which, so far as any Chinese authority was exercised, passed into the hands of ambitious soldiers who acquired authority in given areas, and at their local capitals ignored or defied the Central Government at Peking. *The authority Peking could not retain Japan planned to acquire and exercise.*

At any rate the situation facing the International Settlement from the standpoint of the disposal of the Electricity Department, has dramatic possibilities which will be well worth observing because of the various elements involved, not the least interesting of which will be the antics of the holders of municipal debentures who will be torn by conflicting emotions intimately concerned with their pocketbooks and their so-called national prestige.

Japan's Activities After the War with Russia

Japanese activity in the years following the war was confined mainly to the consolidation of her gains, the settlement of the Korean question, culminating later in the annexation of the entire country, and in the development of her newly acquired Manchurian railway system. Even in those years—preparatory we may regard them—it was obviously the ambition of the military clique which at that period ruled Japan to convert the Gulf of Pechili into a Japanese lake, and to reserve South Manchuria for their own people. This feverish activity on the part of Japan did not escape the notice of the Imperial Government at Peking. In 1907-8 it awoke to the importance of Manchuria, and made efforts to strengthen China's hold on the province. Accordingly it placed at Mukden some of its most brilliant statesmen, amongst these His Excellency Tang Shao-yi. He swiftly grasped the vital importance of railways and agricultural development, and gathered around him a small but select group of foreign advisers. Unfortunately he had but limited financial backing, but he sent Mr. Parker, an American expert, over the whole of the undeveloped area on a tour of inspection. Parker's report contained a prophetic declaration that Manchuria would yet be the granary of the world. Willard Straight, the brilliant young Consul-General at Mukden—said to be the author of Senator Knox's neutralization scheme—was the sponsor of the Fakumen Railway. These proposals brought together the Russian Governor and the Japanese Governor in their joint reply to Secretary of State Knox, which was to the effect that neither party would brook interference.

Prince Ito, the first Resident Governor in Korea, was assassinated by a Korean in Harbin. He was succeeded by General Terauchi (later Count and Prime Minister of Japan) as Governor-General of Korea October, 1909. Prince Ito was a staunch advocate of a better under-standing with Russia. Terauchi adopted that policy. He made an agreement with Russia on the basis of North Manchuria as an exclusive sphere of influence for Russia and the South and East for Japan. Her position being thus strengthened in Manchuria, Japan used her powers to the utmost. Naturally endless disputes ensued with China, the gravest being the dispute which followed the reconstruction of the Antung-Mukden line from a narrowgauge military transport affair to the standard-gauge system. The Japan-Korean agreement with China (1905) provided for this reconstruction. But money was dear then in Japan, and the appointed date was allowed to lapse. Suddenly the enterprise was begun vigorously. The Chinese authorities at Mukden very properly objected, and there were disturbances all along the line of operations. But Japan was determined, and despatched troops to several points. Japan formally told China she had decided to proceed with the work, and it went on. In due course it was completed, being opened for traffic in November, 1910. The great Yalu river bridge was the next step in the march towards China. This bridge, 3,090 feet long, was officially opened in October, 1912. I may add a personal note here. The original plans for the bridge made no provision for a swing span. That would have cut off the upper part of the river from the sea. It had been done, I have no doubt, deliberately and of set purpose. It would have put the trade of the whole area served by the river at the mercy of the Japanese. I brought this serious matter to the notice of their high officials, and ultimately the swing span was built. When finished a high Japanese official sneeringly asked me "if you are satisfied now?" The Japanese military clique had thus accomplished successfully one of their most cherished plans—another steel road through Korea towards the heart of China.

During all this period there was more or less chaos in the administrative machinery of the Chinese authorities, due to the advent of the Republic. Advantage was taken of this to conclude a *local* agreement between China and Japan on the basis of the most-favored-nation clause in other treaties, viz., preferential treatment of railway or overland-borne traffic, that is, a reduction of 33⅓ per cent. of a very modest tariff. This was the beginning of the intensive competition against Lancashire cotton goods. To-day Japan's cotton goods, as Lancashire knows only too well, are supreme in this important and rapidly increasing market. But, on the other hand, the agreement contained other clauses and conditions which strictly limited the advantages conferred by it on Japan—conditions and clauses tending to "slow down" Japan's growing predominance. However, they were quickly ignored by Japanese officials, who at the same time tenaciously insisted upon the rebate of 33⅓ per cent. on both exports and imports. It was of incalculable advantage to Japan. It greatly increased the volume of rail-borne traffic of Japanese merchandise. Had it not been for this advantage the Japanese railway system all the way from Osaka, across the Korean Channel, through Korea and up through Manchuria would never have been in the economic position to have regulated their freights, carrying capacity and facilities for this trade route. The foresight of the Japanese military clique that compelled their civilian authorities to rebuild this Antung-Mukden line has been fully justified from their national point of view—the capture of the immense market in both South and North Manchuria. Furthermore, the line has been a good paying investment.

How Japan Gained Its Ends

But it is important to recall how the turn of events in Manchuria and China gave extraordinary assistance to Japan's plans. The factious intriguing of rival leaders—among others the famous war-lord Chang Tso-lin—gave Terauchi what he deemed to be the mathematically correct moment to annex South Manchuria. The much-abused Anglo-Japanese Alliance acted as an effective check on this ambitious policy. Terauchi then developed his policy along another line. He was still ambitious, and his new idea was to rule from Mukden both Korea and South Manchuria. A vast scheme for the development of the Kwantung Peninsula, including Port Arthur and Darien (a rapidly growing seaport), was inaugurated. The railway from Changchun to Dairen, its terminus, was developed at immense cost. Dairen was practically rebuilt, and other towns along the entire railway route were greatly improved. Laborers from congested Shantung and Chihli provinces flocked into the area affected, and with these came Koreans. The Koreans were welcomed not because they were good cultivators and industrious, but because wherever they settled Japan had a legitimate claim—they were Japanese citizens—in other words, it is an example of what Putnam Weale calls "infiltration tactics"—creating areas where trouble may arise affording Japanese military authorities a valid reason for occupying those areas!

Whilst Japan was strenuously pursuing this policy with one end in view, viz., the strengthening of her hold upon Manchuria, each year lessened her chances of gaining her objective. Abundant crops were harvested in 1913-14-15, with the result that wider areas were coming under the plough, and ever more and more Chinese were settling on the immense tracts of land. Equally true is it that other Chinese elements were asserting themselves—commercial elements. Bankers, merchants, shopkeepers were competing more keenly year by year with their Japanese rivals. Their growing numbers, increasing wealth and influence gave them a grip on the country which has become indisputable. That was the actual situation in Manchuria confronting the Japanese administrator as the result of a decade of strenuous exertion and endless intrigue.

In 1914 Terauchi was still in power on the mainland of Asia. The pacifist Okama was in power in Tokyo, but he had the strong military clique to contend with. When the Great War broke out the military party in Japan was certain Germany would emerge victorious. There could be no doubt either as to the trend of popular sympathies. They were with the Central Powers. Again the Anglo-Japanese Alliance functioned. The attitude of the Imperial Government was correct, and it remained so in letter if not in spirit. But it must not be forgotten that it was precisely when the European War situation appeared to be most unfavorable to the Allies that Japan presented her famous "Twenty-one Demands" to Yuan Shih Kai. Had he yielded Japan would have become controller of China, politically and economically. The full story cannot be told here. Strong pressure from outside was followed by their withdrawal. But the effect upon Chinese opinion was prodigious and permanent. In Manchuria there was great commotion. Japan's goal stood revealed; her plans were unmasked. So evident became the antagonism of the Chinese that extra levies of Japanese troops were rushed to all important centres, and every preparation was made by Japan to cope with any emergency. To later Demands Yuan Shih Kai capitulated. The chief of those new Demands was the extension of Japanese railway bases, fresh leases of territory for ninety-nine years replacing the twenty-five-year leases originally granted to Russia by China in 1896. Defeated in the direct attack on the Central Government, they were forced to be content with minor gains which strengthened their hold upon Manchuria, and again they settled down to the policy of "peaceful penetration" of the whole province.

Terauchi's Dream of Empire

Terauchi came into power in Japan in 1917. He still had dreams of a great empire. Manchuria was still his immediate objective. He was not willing to recognise that what could not be accomplished in 1915 had an even smaller chance in 1917. It is true that change had taken place which encouraged Terauchi to believe new conditions existed which would favor Japanese plans. Yuan Shih Kai was dead—thus a formidable opponent was removed. Then a pro-Japanese Administration had attained power in Peking. It was confronted with serious financial difficulties. The so-called "Nishihara" loans were handed over to it on the doubtful security of certain forestry, mineral, and agricultural concessions in Manchuria. It had an unlooked-for effect—the inhabitants of Kirin province rose in

a body and protested against the mortgaging of the forests and minerals. Their protests were of such an effective character that the working of these concessions is obscure to this day. I have never been able to ascertain if they have been exploited. These "loans" have formed the subject of prolonged discussions between the various Powers and Japan and China. The strong Japanese attitude over the 2½ per cent. surtax conceded by the Washington Convention of 1921 to China is due to these "Nishihara" loans. They are unsecured, and before Japan will agree to the Chinese collecting this extra source of revenue they wish to be assured that the proceeds will be devoted to the redemption of these and other unsecured loans.

It is hardly necessary to dilate upon the extraordinary economic results of the World War upon Japan. This amazing prosperity spread to Manchuria. With this unparalleled increase of national wealth came a revival of Japanese hopes for predominance there. Japanese were urged to come to the country, to invest in land, to be patriotic—in a word, the "peaceful penetration" through War prosperity had a new lease of life. But the sudden end of the War in November, 1918, shattered all these hopes during the ensuing twelve months. Their banks had most unwisely made such heavy advances against real estate that the bottom dropped out of the property market. These banks were and are still faced with large losses. With only an exception here and there the great industrial expansion has ceased. With the advent of peace the real testing of Japan's herculean toils began—in the political as well as in the economic sphere. Can Japan be satisfied with the results of that decade of diplomatic intrigue and economic activity? I doubt it.

It is necessary, on the other hand, to mark the effect of the Chinese Civil Wars on both Japanese policy and the future of Manchuria—if only in the briefest manner. First of all, it is important to point out that the widespread misery consequent upon unending strife, especially in over-populated Shantung, where rare is rain and famine the rule rather than the exception, had swollen the tide of emigrants which flowed northwards. They discovered that the virgin soil of the north and east of Manchuria more adequately maintains life and rewards toil. Their industry immensely increased the productivity of the area and materially affected the prosperity of the Russian and Chinese system known as the Eastern Railway. That line owes its inception and construction to the Russians. China contributed very little hard cash towards the building of the Trans-Siberian line even for the section which runs through Chinese territory. The Russian Revolution and the Civil Wars have disastrously affected its prosperity, its development, its expansion. Recovery was hindered because for four years China refused to recognise or negotiate with new Russia, and even when the Sino-Russian Treaty of March 14th, 1924, was signed, the Mukden authorities did not see eye to eye with the Peking Government. It was generally said that Chang Tso Lin wanted the complete control of this railway. This was not unlikely, for Chang knew that the Russo-Chinese system would play a more decisive part in the development of the country than the Japanese system. But when agreement was reached finally the management of the Eastern Railway made it clear that it was a purely commercial line, and that *they would not be a party to any restrictive agreements the Japanese may have been able to impose or extort in the past!* How has it operated already? An agreement was in existence by which 55 per cent. of all freight traffic in the area had to be diverted south to the Japanese system and to the Japanese Port of Dairen, and 45 per cent. to the east and the Russian Port of Vladivostock. Practically that has been set aside, though *officially* the division proceeds upon the same basis! The real significance of this is that it emphasizes the fact that Japanese dominancy has not merely been shaken but shattered by the events and developments of the past three or four years. Politically she has had to stand aside in Manchuria—to act in unison, if she acts at all with the other Powers. She had to play the part of ringkeeper whilst Chinese armies marched and fought. Even in South Manchuria, where a decade ago Japanese influence was irresistible and her civil and military staffs masters of the entire situation, to-day they are fighting desperately to maintain their hold on their material interests. I do not think that the most optimistic pro-Japanese in Mukden would hazard much on the chances of the Japanese dream of empire on the mainland of Asia—*at the expense of China*—being fulfilled.

The Situation Summarized

Let me summarize the situation as I see it. Admitting for the moment the legitimacy of Japan's policy she has to reckon with:—

(1) The fixed hostility of the Chinese people, different in quality and quantity from that entertained for "foreign devils" in the mass. I know what I am talking about when this matter is under discussion. The truth is that the Japanese in Manchuria have been arrogant and ruthless, and the Chinese will never forget the attitude and temper displayed at the time China was incapable of resisting Japan's high-handed action, nor will they ever forgive the "Twenty-one Demands." That was a blunder of the first magnitude.

(2) The overwhelming preponderance of that population. I am informed now that it is approximately not far from forty millions, and that the proportion of Chinese to Japanese is one hundred to one. Anyhow, it is impossible for Japan, in any event, to enforce her will against a population definitely and bitterly against her.

(3) The steady growth of the wealth of the Chinese elements in Manchuria which throws the influence of the Chinese population on the side of law and order. The weight of wealth and all that flows from it is against Japan and Japan's interests and claims. Admittedly Japan has done wonders for the country in developing its vast resources, and has created for herself vast interests—said to represent £235,000,000—by her energy and enterprise. Japan thereby has been able in the past to exercise far-reaching authority from Mukden, and to have exercised it without any successful challenge from the distracted Chinese leaders. But China is fast recovering. The New Central Government at Nanking, unstable as it may appear to be, justifies an informed observer in declaring that a new day has dawned for China. Significantly enough the first action almost of Nanking was to *reassert* its authority, as sovereign of the soil, at Mukden. Dr. Wang and his colleagues may have acted unwisely in denouncing the Chinese-Japanese Treaty of July 21st, 1896, if only because it gave Japan reasonable grounds for the "warning" served upon China in her Note of July 31st last to the effect that if Nanking does supplant treaty arrangements "by unilateral provisional regulations," the Japanese Government may be obliged "to take such measures as it deems suitable to safeguard its rights and interests assured by treaties." No one will mistake the "warning" for anything else but what it is—*a threat*. Can it be that Japanese officials believe that they played a big trump card in sending that Note? Nanking was unmoved by the big bluff put up by Tokyo.

(4) Most important of all Japan has to reckon with the fact that she cannot in 1928 count upon the acquiescence either of the United States or Great Britain should she attempt to repeat the bold stroke of 1910 by which she annexed Korea. Sir Austen Chamberlain made that clear once for all when he declared on the floor of the House of Commons, on July 30th, that His Majesty's Government regarded Manchuria as being of China; they did not recognize Japan as having any special interest in that territory other than that conferred by treaty. Mr. Lloyd George cordially supported Sir Austen later in the debate, when he said he "was delighted to hear the declaration that Manchuria was an integral part of China." Any policy which envisages violation of China's territory is foredoomed to failure.

Japan's future policy in Manchuria I cannot forecast. Japan's statesmen are realists, and I imagine, will cut their coat according to their cloth—in other words, make the best of adverse conditions, be content to get the utmost in return for their expenditure of blood and treasure—and on the mainland of Asia in Korea and Manchuria they have spent both prodigally—in vaster measure than the Western world dreams.

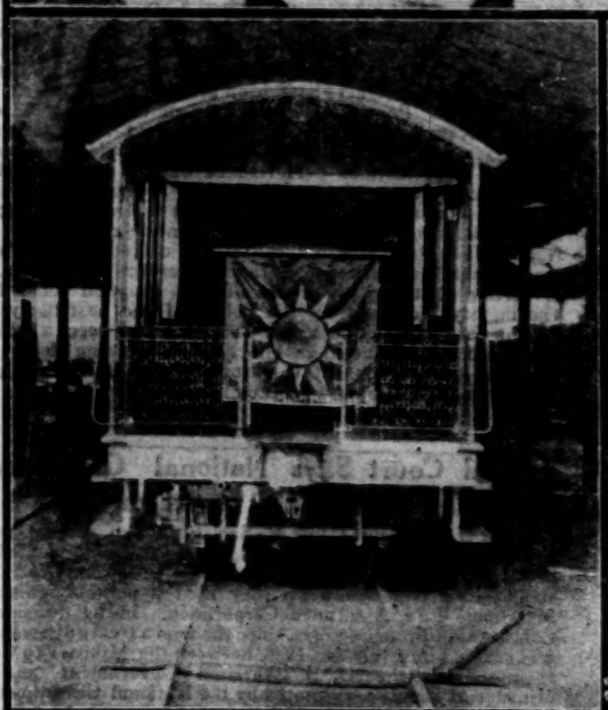
Baltimore Newspaper Flying Owner Due in Shanghai Next Month

Van Lear Black, owner of the Baltimore *Sun*, is due to arrive in Shanghai middle of April in his luxurious Fokker cabin monoplane, *Maryland Free State*. Mr. Black is en route to Japan. A landing is to be made at the Hungjao airdrome and arrangements are being made to give Mr. Black a suitable reception. Mr. Black is flying almost round the world on a purely commercial trip. He left Croydon, England, on February 11 for Capetown, and after successfully completing this trip he left Capetown for Cairo on March 8. Mr. Black's machine is one of the most luxurious airplanes existing to-day. It has a close resemblance to a private yacht. Mr. and Mrs. Black have just announced the engagement of their daughter Perry to Lieut Jack Bolton of the U. S. Navy.

U. S. Enters Protest on "North China Star" Suspension

An *Associated Press* dispatch from Washington, dated March 11, published in the *Manila Bulletin* states that the U. S. Department of State, impatient over the delay of the Chinese government in fulfilling its promise to restore postal privileges to the *North China Star*, an American owned newspaper at Tientsin, has instructed the American Minister at Peiping to make representations to the Chinese foreign office to ascertain why the promise was not kept. The paper was denied use of the mail on February 5 without any reason being given. Foreign Minister C. T. Wang later said that the action was due to a misunderstanding and that the ban soon would be lifted.

SUN YAT SEN CEREMONIES IN PEIPING



Top Left—Memorial service and preparations in Peiping for the removal of the remains of the late Dr. Sun Yat-sen to their final resting place on Purple Mountain at Nanking. The Tai Ho Tien, or throne room in the Forbidden City was thrown open to the crowds which attended the ceremony.

Above—A close view showing the enormous crowds which collected before the platform where orators extolled the Sun Yat-sen anniversary on Tuesday, March 12.

Left Center—The special hearse or railway car that will be used to transport the coffin containing the remains of the late Dr. Sun Yat-sen from Peiping to Nanking. This car was constructed in the workshops of the Peiping-Hankow Railway at Liu-chiaomiao, near Hankow, at a cost of $40,000. The car was constructed under the supervision of Mons. E. Thoureck, a French engineer connected with the railway.

Bottom—The funeral arch or *pailu* which was constructed in Peiping on Feb. 12. It was located in front of the Wu Men or An Tien Men, one of the gates of Peiping and was constructed for the ceremony which was held on Feb 12.

Shantung's Chief Bandit

(Japan Chronicle, March 5)

SHANTUNG news is not particularly cheerful. The bandit despot, Chang Tsung-chang, is making another bid for power, and there seems to be a good deal of dissent as to who should undertake the task of throwing him out again. The Christian General, as Minister of Military Administration, is said to claim the job as his prerogative. But General Feng Yu-hsiang has been somewhat of an enigma since he went to Russia. There were stories that the Soviet people found him useless for their purposes and abused him accordingly, and he is said to have come back anything but a good Communist—though he is a good despot, and that is half-way along the road. Anyhow, he so far made peace with the victorious Chiang Kai-shek faction that they found it to their advantage—or least to their disadvantge—to make him Lord High Militarist. But the Nanking Government is very much afraid of him, and a story that has lately been current is that Chiang Kai-shek is most unwilling to have the Japanese army in Shantung repatriated, because he is afraid that as they march out Feng will march in, and proceed to effect some sort of a *coup d'etat*. We have on a previous occasion discussed this theory of the reason for the Japanese troops remaining in Shantung; and we are still inclined to give it very little credit. For so long as the Christian General is not too outrageous, the others would rather deal with him than with foreigners. Indeed, so deeply has the lesson of foreign aid sunk into the Chinese soul that one can hardly imagine, at this time of day, any Chinese faction welcoming foreign aid in the prosecution of its designs. Foreigners have sometimes expressed scepticism regarding the idea that Asiatics would rather be badly treated by their own countrymen than well treated by strangers, but it has come to something analogous in China. For one "war lord" to be put down by another is only incidental. The victorious one seldom lasts long. But to put oneself under tutelage of some efficient foreign Power means a much longer term of not having one's own way.

General Feng Yu-hsiang

It is somewhat ominous that General Feng insists upon suppressing Chang Tsung-chang with his own particuiar Ironsides instead of a mixed Nationalist force, such as General Chiang Kai-shek wishes to send. And it is clear that it is not merely because of the superior efficiency of his own troops that the Christian General will not have the units of the mixed force employed in this task, for the telegram goes on to say that affairs are not so quiet in Honan that the Christian General can spare a big force, but will rather entrust the job to General Sun Liang-chi, the chief of the Shantung Government, who is one of Feng's own men. One is inclined to ask, if this is the case, why General Sun Liang-chi does not get to business and suppress Chang Tsung-chang without the affair becoming an issue between Chiang Kai-shek and Feng Yu-hsiang at all. Perhaps he would have been very glad to do so, but was not of sufficient calibre to resist Chiang Kai-shek's offer to send a mixed force, and so had to appeal to the Christan General to keep the Nationalist troops out. The Nationalists will not be altogether inconsolable at seeing these independent chieftains eat one another up; but there is the consideration that, if Sun Liang-chi remains faithful to Feng Yu-hsiang, and is successful in his campaign, he will, in effect, be keeping the province for Feng and keeping it out of the hands of the Nanking Government. For though Feng may be nominally the Head Militarist of the Nationalists, it is pretty clear that he goes very much his own way, and would not hesitate, if a convenient opportunity offered, to turn out the whole crowd and instal himself as dictator. Unless the Nationalists pin their hopes on Chang Tsung-chang scoring a victory and giving them an excuse for going in and turning him out, it might even come to their buying him off so as to deprive the Feng Yu-hsiang faction of their chief excuse for strengthening their hold on Shantung.

The Japanese in Shantung

According to the story that General Tanaka was co-operating with the Nationalists in keeping the Japanese troops in Shantung, it might be supposed that their occupation would interfere more with Feng's troops than with those of the Nationalists—or those of Chang Tsung-chang. It would be the first time that the presence of Japanese troops in Shantung had done the Nationalists any good. In 1927 the Japanese invasion ruined the Nationalists campaign, and in 1928 it seriously hampered it. A change in policy is supposed to have taken place since then, but it is certain that the presence of the Japanese troops in Tsi-nan must be a source of inconvenience to any Chinese general operating from that base. They may, therefore, stand in the way of General Sun Liang-chi making a successful campaign against Chang Tsung-chang. It is unfortunate that, while troops of occupation interfere with regular warlike operations, bandits like Chang Tsung-chang find them rather useful as a stalking-horse. Whatever be the effect, the Chinese will not be pleased, and the Japanese assertions that they have been strictly neutral, will not placate those who conceive that they have suffered some disadvantages through the Japanese being there. It is significant, at least, that the discredited Chang Tsung-chang should consider that it was a favorable opportunity for making his raid while the Japanese were still there. The Japanese troops might be useful in keeping out the Christian general, but they only facilitate the depredations of the much less respectable Chang Tsung-chang. There is no other interpretation that can be put upon the latest developments. If the Japanese are really anxious to prevent Ferg from having any excuse to come into Shantung, they would be doing something very practical in rounding up and shooting Chang Tsung-chang themselves. But so little is foreign intervention in favor, that even in the province which Chang has so long harried, such a development would be far from popular.

The most deplorable feature of the whole business is the weakness of the Nationalists that has been exposed. If Chiang Kai-shek is so little master in his own house as would appear from the reported circuumstances of the Shantung campaign, his Government can hardly expect the complete confidence that it demands from the Powers. To the Chinese the demand for the protection of foreigners and for adequate security for loans may be exasperating, but it is one from the inconveniences of which they can only escape by being able beyond any possible doubt to give these guarantees, or by being strong enough to reject any demands whatever. The relations of the Nanking Government with General Feng Yu-hsiang make its position a very awkward one, and there is always the possibility that the Christian General might set up as a sort of Chinese Mussolini. According to the declared policy of the Powers, they will not interfere, and they must scrupulously avoid even the appearance of interfering, for a Chinese adventurer in these days can make much capital out of declaring that foreigners have been assisting his enemies. The position of the Powers themselves is an uncomfortable one. They want their money, and they do not want their nationals' business ruined, and it is difficult to reconcile these desires with the conscientious performance of the rule that China must find her own feet, which is so necessary for future stability. Japan's position is the most awkward of all; for the best interpretation that can be put on the retention of the troops in Shantung is also a confession of interference, even though that interference may remain perfectly bloodless. It is certain that the difficulties of the situation have been enormously increased by the policy of the past two years; both in Shantung and in Manchuria there has been a gesture of decision without anything effective really being done, and, weak as the Nationalist Government may be, this weakness has not improved Japan's position in China.

Appeal Court Says National Government May Sue in U. S. Court for China

The U. S. Circuit Court at San Francisco several weeks ago reversed the decision of Judge Purdy, who denied the Republic of China the right to sue in the U. S. Court for China about half a year ago when they filed a petition against the Merchants Fire Assurance Corporation. In its decision the Court at San Francisco says, since the trial a treaty of commerce was entered into July 25, 1928, between the Minister to China, appointed by the U. S. National Government and the Minister of Finance, appointed by the National Government of the Republic of China. This treaty, it is stated, contains a clear recognition of the National Government of China by the Executive Department of the U.S. Government. The court judicially noticed the change which had taken place, and recognized the existence of the National Government of China and held that it had the legal capacity to sue in the American courts. The judgment of the court was therefore reversed and the cause remanded for further proceedings. In the course of the decision, the Appeal Court says: "This recognition by the Executive Department would seem to satisfy the requirements of the law, but, if this is not enough, we have been advised by a telegram from the Secretary of State that the Minister Plenipotentiary and Envoy Extraordinary of the National Government of China has been officially received by this Government, so that the recognition of the former is now settled beyond question. Recognition is not necessarily express, it may be implied, as when a State enters into negotiations with the new State, sends its diplomatic agents, receives such agents officially, gives exequaturs to its consuls, forms with it conventional relations. (Moore's Digest of International Law, P. 73.)"

A similar order was made in the case of Republic of China v. Great American Insurance Company, involuing the same question and submitted on the same record.

List of Chinese Internal Loans Outstanding on 1st April 1929

Compiled by E. KANN.

Peking Administration

Name of Loan	Issued In	Total Amount Authorized	Total Amount Issued	Oustanding at present	Rate %	Interest Payable	Secured by	Bonds Issued	Repayment
7th Year Long Term National Loan*	1919	$45,000,000	$45,000,000	$40,500,000	6	30th June. 31st Dec.	Russian Boxer Indemnity	$10,000 $1,000 $100 $10	Between 1929 and 1938 by half-yearly drawings
10th Year 96 Million National Loan	1921	$96,000,000	$96,000,000	$56,391,300	8	31st Jan. 31st July.	Salt Surplus	$1,000 $100 $10	Between 1923 and 1929 by half-yearly drawings Overdue $ 49,341,300
Chinese Government Consolidated 6% National Loan	1921	$80,000,000	$54,392,000	$39,162,400	6	1st June 1st Dec.	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $50 $10 $5	Within 10 years from 1921: 1921-1924..$ 2,719,611 annually 1925.....$ 4,351,378 1926.....$ 6,527,067 1927-1922..$ 8,158,834 (Overdue.$ 25,932,800)
Dtto 2nd Series	1921	$25,600,000	$25,600,000	$25,600,000	6	1st Jan. 1st July	Not definitely secured	Dtto	Between 1931 and 1935
Chinese Government Consolidated 7% National Loan	1921	$13,600,000	$13,600,000	$ 9,792,000	7	28th Feb. 31st Aug.	Consolidated National Loans Sinking Fund	$10,000 $1,000 $100 $10 $5 $1	Within 10 years from 31st Aug. 1921: 1921-1924..$ 680,000 annually 1925.....$ 1,088,000 1926.....$ 1,632,000 1927.....$ 2,040,000 „ (Overdue.$ 5,712,000)
Dtto 2nd Series	1921	$ 8,800,000	$ 8,800,000	$ 8,800,000	7	31st Mar. 30th Nov.	Not definitely secured	Dtto	Between 1931 and 1935. Within 7 years in semi-annual instalments, starting 31 March 1928: 1928-1929..$ 900,000 half-yearly 1930-1933..$ 1,050,000 „ 1934.....$ 1,500,000 „
14th Year National Loan*	1925	$15,000,000	$15,000,000	$12,300,000	8	31st Mar. 30th Sept.	German Boxer Indemnity	$10,000 $1,000 $100	
Nanking Administration									
2½% Surtax Treasury Bonds (2nd issue)*	1927	$40,000,000	$40,000,000	$40,000,000	9.6	Monthly	Shanghai 2½% Surtax	$10,000 $1000 $100 $10	January 1930 to April 1933 $1,000,000 monthly
Treasury Bonds secured on tobacco tax	1928	$16,000,000	$16,000,000	$10,000,000	9.6	Monthly	Rolled Tobacco Tax	$10,000 $1000 $100 $10	April 1928 to November 1930 $500,000 monthly
Military Treasury Bonds	1928	$10,000,000	$10,000,000	$10,000,000	8	30st Apr. 31st Oct.	Stamp Tax of all China	$10,000 $1000 $100 $10	1929 to 1938. $500,000 half-yearly
Rehabilitation Short Term Bonds	1928	$40,000,000	$40,000,000	$36,000,000	8	30th June 31st Dec.	Kerosene & Gasol. Tax	$10,000 $1000 $100 $10	December 1928 to June 1933 1/10th every half year
Tientsin Customs 2½% Surtax Treasury Bonds*	1928	$ 9,000,000	$ 9,000,000	$ 7,200,000	9.6	Monthly	2½% Surtax Tientsin Customs	$10,000 $1000 $100 $10	October 1928 to March 1931 $300,000 monthly
17th Year Short Term Currency Bonds*	1928	$30,000,000	$30,000,000	$ 8,950,000	8	31st Mar. 30th Sept.	German share Boxer Indemnity	$10,000 $1000 $100 $10,000,$1,000	From 1923 to 1935 by semi-annual drawings.7%annually 1st 3 years; 20% 4-6th year; 19% in 7th year.
17th Year Short Term Currency Bonds*	1928	$45,000,000	$45,000,000	$45,000,000	2½	31st Mar. 30th. Sept	Customs Surplus	$100 $50 $10	From 1934 to 1953 by semi-annual drawings of $1,125,000 each.
National Government Famine Relief Loan of 1929*	1929	$10,000,000	$10,000,000	$10,000,000	8	30th June 31st Dec.	Customs Revenue	$10,000 $1,000 $100, $10, $5	By 20 semi-annual drawings of $500,000 each, from June 1929 to 1938.
National Government 18th Year Troop Disbandment Loan*	1929	$50,000,000	$50,000,000	$50,000,000	8	31st Jany 31st July	Customs Revenue	$10,000, $1,000 $1000, $10, $5	By 20 annual drawings of $ 2,500,000 each, from July 31,1929, to Jany 31, 1939.

*Secured on Customs Revenue.

What Is Happening at the Third Kuomintang Congress

BY EVA CHANG

All Nanking was *en fete* on March 15. Everybody was astir early. Airplanes circled above the Capital even before 8 o'clock in the morning. Guns boomed out twenty-one times from the gunboats and forts along the Yangtsze. The city was bedecked with Party and National flags. A grand celebration was held in the First Public Park at ten o'clock. Everybody was rejoicing. Why? The long-awaited Third National Congress of the Kuomintang had at last come into being in the face of rumors, speculations, precarious political situation, and what not. Furthermore, it is the first real national congress under a unified government.

The Congress is being held in the newly constructed auditorium of the Central Military Academy. The Wampu Road leading to the Academy has just been completed and is decorated with a huge pailou which conveniently forms the outer entrance to the Congress because soldiers are stationed there and no person without a proper badge is allowed to pass. The auditorium faces the main entrance of the Academy and is led to it by a two-hundred yard long cement driveway. It is an imposing steel structure topped by a clock tower. Desks each seating three delegates are arranged on the floor to seat three hundred and sixty nine delegates and fifty four non-voting delegates. The platform is in the shape of a half moon with nine desks for the Presidium lining the front. Desks for the secretaries of the Congress are placed behind. A rostrum is erected in front of the platform where the delegates may express their opinions on the various proposals. Seats for visitors and pressmen are furnished in the gallery. To facilitate the proceedings of the sessions, three amplifiers are fixed in the auditorium.

Simple Decorations

The entire auditorium is simply decorated with Party and National flags. On the platform is hung a huge picture of the late Leader Dr. Sun Yat-sen, and, below, his Will. This furnishes the guiding spirit of the Congress.

Strict measures have been adopted by the Secretariat to exclude suspicious persons. Four kinds of badges in the form of ribbons are issued to designate different persons—pink ribbons for delegates, blue for members of Secretariat, white for visitors and green for pressmen. Gallery seats for visitors and pressmen combined are limited to 150. Special permits for such are issued every day. No visitor or pressman is allowed to enter the auditorium without such permit. Only one permit is given to each newspaper or news agency and none is issued to foreign Press representatives.

As a further precautionary measure, soldiers are stationed on the steps leading to auditorium, in the gallery, around the main floor and around the platform. The grounds of the Central Military Academy and the roads leading to it are heavily patrolled. Soldiers are also stationed at the entrance of the Academy.

By 9 a. m. March 15, altogether 215 delegates besides twenty-one members of the Central Executive Committee had signed up. Amid the music of the Municipal Band the meeting was called to order by the temporary Chairman, Hu Han-min. The meeting was opened by the customary bows, reading of the Will and the three-minute silence. For the first time the newly adopted Party song was sung by the National Congress. An opening speech delivered by the temporary Chairman completed the simple yet, impressive ceremony.

Whole-hearted self-sacrifice for the welfare of the Party and the building up of a healthy Party is the challenge which Mr. Hu gave the Congress in his speech. He pointed out that the First National Congress was held under the personal direction and the Second Congress under the spiritual guidance of the late Leader. Party members have since striven hard to carry out the Revolution according to Dr. Sun's Will. It has not been an easy task. "However, "Mr. Hu continued, "we must realize our heavy responsibility because this National Congress is the highest organ of the Party and therefore in us is vested the highest power of the country. We must strive even harder to carry out our late Leader's plan of national reconstruction during the period of Political Tutelage. Everything awaits the decision of this Congress—foreign relations policy, financial policy, military policy, civil affairs policy, educational policy, etc." Following the Three People's Principles, Mr. Hu said that the Congress must determine policy in the Principle of Nationalism in order to enable the Party members to know how to face imperialism. With regard to the Principle of Democracy, it is the duty of the Party during the Period of Political Tutelage to train and prepare the people for the exercising of people's power. In connection with the Principle of Livelihood, Mr. Hu called special attention to the four fundamental works of the Party racial survival, community living, citizen's livelihood, and people's life. In order to relieve the present sufferings of the people, efforts must be made toward reconstruction and the increase of production. It was emphatically pointed out by the Chairman that "in the First National Congress, our late Leader had exhorted us that the wisdom, ability and material resources of every Party member must not be used for his own good but for that of the Party. Every member must sacrifice his own liberty for the Party. It was not until our Party is given this liberty that our Revolution could be completed. We must work toward our aim whole-heartedly, unselfishly, and unflinchingly so that we may fulfill the expectations of the people."

Statements by Chiang Kai-shek

A long statement issued to the delegates of the Third National Congress, President Chiang Kai-shek also earnestly hoped that each person and each party should sacrifice his personal prejudices and his personal ideas and cooperate for the welfare of the Party and country. He pointed out that the weakness of the Party at present lies in the lack of unified thought and cooperation; and the obstacles to a centralized government lie in occupying special districts and disobeying the Central Government on the part of military leaders. It is hoped that all Party and political issues will be discussed frankly and peacefully and devoid of personal prejudices in this Congress in order to find the best solutions.

An informal and preliminary meeting was held on the morning of March 16 when the personnel of the Presidium were elected and lots were drawn by the delegates for their seats. The Presidium include the following nine members: Hu Han-min, Tan Yen-kai, Chiang Kai-shek, Chen Kuo-fu, Chen Yao-huan, Sun Fo, Yu Yiu-jen, Ku Ying-feng and Chu Chia-hua.

Members of three committees—the Proposals Examination Committee, the Manifesto Drafting Committee, and the Resolutions Examination Committee—were appointed by the Presidium and approved by the Congress. Following are fifteen members of the Proposals Examination Committee: Wang Chung-hui, Li Wen-fan, Ho Sze-Yuan, Chen Tien-tang, Feng Chu-wan, Chang Tao-fan, Kwei Chung-chi, Chiang Mon-lin, Chao Tai-wen, Hsueh Tu-pi, Chen Shao-kwan, Ho Yao-chu, Shao Yuan-chung, Tan Chan, and Tuan Hsi-peng, to be called by Wang Chung-hui. Following are five members of the Manifesto Drafting Committee: Tsai Yuan-pei, Yeh Chu-chang, Chen Pu-lui, Shao Li-tse, and Liu Lu-ying, to be called by Yeh Chu-chang. Following are eleven members of the Resolutions Examination Committee: Li Chi-sen, Chen Pu-lui, Liu Lu-ying, Ling Yung-kai, Ho Ying-ching, Yu Ching-tang, Niu Yun-chien, Pan Kung-chan, Ching Tseng-tsen, Chan Chu-hsien, and Chen Teh-chen, to be called by Ho Ying-ching.

Up to the time of writing, five regular sessions have been held by the Congress, the first being held on Monday morning. The most outstanding resolution made by the Congress politically was to order the State Council to issue instructions to the army under General Yeh Chi, one of the commanders in Hunan, to stop manoeuvring and return to its former garrison district immediately.

The Congress also adopted a proposal submitted by President Chiang Kai-shek, that since the wounded soldiers and families of soldiers who have sacrificed their lives for the revolutionary course will be pensioned by the Military Disbandment Committee, a circular telegram be sent, in the name of the Congress, to all soldiers of the National Revolutionary Army expressing the nation's deep appreciation of the services they have rendered.

Three Proposals Submitted

The following three proposals submitted by the Standing Committee of the Central Executive Committee were brought up for discussion and referred to the Resolutions Examination Committee for examination: (1) Demarcation of the powers of the Party, the Government, and the people; (2) Determination of ways and program for promulgating political principles; and (3) Determination of plan and policy of economic reconstruction during the Period of Political Tutelage. Another proposal was also submitted by the Standing Committee on the determination of educational policy and basic measures for carrying it out. In this connection, Miss Liu Yung-chang, representing Shantung Provincial Party Headquarters, spoke on behalf of women. She claimed that men and women should not be separated in middle schools according to the proposal submitted by the Standing Committee. In the first place, it will not be economical, and in the second place, women should not be looked upon as different. She demanded that absolute equality be accorded to women. "Women," said Miss Liu, "have been looked upon as inferior and taken as playthings because they have not had as much educational opportunities as men. Education is necessary to cultivate their personality and an understanding of the Three People's Principles. In order to raise the standard of womanhood and to acquire the cooperation of women in the reconstruction of the country, women

(*Continued on page 153*)

Features of China's Industrial Program

BY DAVID TUNG FOO HSU (徐東甫)

IN the later part of 1928, consequent upon the complete defeat of the Northerners and triumphant victory of the Nationalists, an entirely new and indisputable authority was established for the first time since the birth of the Republic at Nanking under the leadership of General Chiang Kai-Shek. Since then the general awakening of the whole population throughout the country has been in evidence with a tendency to increase a thousandfold. The country as a whole has taken concerted action, based upon the plan for rehabilitation and reconstruction, as laid down by the late Leader Dr. Sun Yat-sen. There is in being an unprecedented wholesale reconstruction work, requiring, no doubt, Herculean strength and invincible perseverance in order that the goal of ambition of all patriotic Chinese may be reached with as little delay as possible.

Immediately following the appointment of Dr. C. T. Wang as Minister for Foreign Affairs in 1928, the gist of the Nationalistic foreign policy looking to piloting the ship of state over stormy seas was definitely declared to the world powers in the following manner:—

> "The Revolution led by the Nationalist Government has as its primary object the building up of a new State. As the military period is closing, the Nationalist Government is engaged in the work of rehabilitation and reconstruction so that the New State may soon be realized."

So it may be taken for granted that at least the first two decades of the Nationalist regime will be largely devoted to reconstruction and industrial development. As a matter of fact so far as time is concerned, no one is in a position to state exactly how long the evolutionary period will last. China is not so compact a state as the island neighbor in view of her vast territory and teeming population. Therefore it may appear logical to predict that if the latter required twenty years for her modernization, about one hundred years may elapse before the Chinese reformers will be able to consider the evolution complete.

Profiting and Experience

In the present era of rapid progress and great scientific achievements we have, however, at our disposal means that were not available a few decades ago. Guided by the knowledge of errors of other states, we would, and I doubt not, will profit by their experiences and be enabled to avoid falling into repeated commission and omission, and given a fair chance to succeed in finding a way to our goal more speedily than may be generally regarded as possible. Is it not true, as said the immortal Bard, that "advantage is a better soldier than rashness"?

Having regard to our advantageous position, has not our great Leader—the "Savior of China"—given utterance to sound common sense when he laid down his plans for the great achievements within thirty years? Assuredly he did. Allowing the necessary time for peaceful industry, we may be able to find a New State, an ideal state, a state of which all the Chinese would be proud, raised over the ashes of the corrupt, contemptible, effete Manchu Dynasty, within a span of years that will constitute a record in National reconstruction.

Following is an epitomised version of the whole programme of industrial development:—

1. The development of the Communications System:
   (a) 100,00 miles of railways;
   (b) 1,000,000 miles Macadamized roads;
   (c) Improvements of existing canals.
      1. Hangchow-Tientsin canals;
      2. Sikiang-Yangtze canals.
   (d) Construction of new canals.
      1. Liaoho-Sunghwakiang canals;
      2. Others to be projected.
   (e) River conservancy.
      1. Regulate the embankments and channels of Yangtze River from Hankow to the sea thus enabling the coasters to reach that port at all seasons of the year;
      2. Regulate the Hwang-ho embankments and channels to prevent floods;
      3. Regulate the Sikiang;
      4. Regulate various other rivers.
   (f) Construction of more telegraph and telephones lines and wireless systems throughout the country.
2. Development of harbors.
   (a) Three large ports with capacity equaling New York harbor to be constructed in North and South China;
   (b) Several small commercial and fishing harbors to be constructed along the coast;
   (c) Commercial docks.
3. Modern cities with modern public coveniences to be constructed in all the railway centres, termini and alongside harbors.
4. Water power development.
5. Iron and steel works and cement works on a large scale in order to meet the needs of contractors employed in the foregoing works.
6. Mining development.
7. Agricultural development.
8. Irrigation work on a large scale in Mongolia and Singkiang.
9. Reforestation in Central and North China.
10. Colonization of Manchuria, Mongolia, Singkiang Kokonor, and Tibet.

The Urgent Need of Efficient Communications

As "order is Heaven's first law," we must begin one thing at a time before the enormous reconstruction work can be achieved in its entirety. In other words, we must concede to these works which may be regarded as urgent and requiring immediate action.

Little do people realize that the degree of prosperity enjoyed nowadays in the present era of progress connotes a state of comfort and luxury that would have been impossible a century ago. On festive occasions it may be noted that the guests arrive in automobiles manufactured in Detroit, they wear furs obtained from Siberia and silks produced in Canton; the host, perchance, glances at a watch made in Switzerland and toasts his friends with wine from France or Portugal. The butter and jam are from Australia, truffles from Yunnan, dumplings from flour milled in Canada or U. S. A. are served as a part of the meal cooked by coal from Shanghai. As a matter of fact, every section of the globe contributes its quota on occasions of that sort.

Now if we turn our attention to the interior of China the reverse is immediately noted. As nature specializes in production, any lack of transportation means superabundance of produce which would be valueless in the local market unless it can be transported to those parts of the world which are badly in need of such things. For instance, coal is found in enormous quantity in Shanghai province, and sometimes the price is only $3 per ton, while at Shanghai though not far away, people not infrequently suffer from shortage of coal, for which $30 has to be paid per ton. It is always the case that in a country where transportation depends upon human labor, enormous quantities of produce in certain parts of the country are accumulated, while in other parts, urgent demand and intense scarcity prevail. That accounts for the fact as pointed out by our late leader in his "Three Principles of People," that notwithstanding China's agricultural fertility and capacity in most, if not all, provinces of the country, she has been the victim of famine, the 1919 famine being the most appalling, involving millions of victims. Therefore if China is to remain in so primitive a state as regards transportation, in which the Manchus maintained it, there is no hope for the economic well being and general welfare of the nation as a whole. So the paramount duty of the present Government is to provide proper means of communications such as Railways and Highways before industrial development on a large scale could be achieved especially so as regards the inland Provinces.

Furthermore, greatly needed mining development in such provinces as Yunnan, Hupeh, Shanghai, and Kweichow would in every way be heavily handicapped, until those provinces are closely connected by a network of railways and other means of communication with the large ports and other trading centres. Great educational movements, so urgently needed if the illiteracy of the country is to become a thing of an evil past and the masses be prepared to appreciate the freedom and enlightenment enjoyed in most republics cannot be realized until security for life and property and the existence of a strong control government backed by an efficient navy and army were to be resulted from great improvement of communication.

In a word, reforms on a large scale and efforts to prepare the masses for appreciation of their great heritage will be heavily handicapped until vast improvement is effected in means of communication. Therefore we are bound to concede that our revered Leader, whose death is and will ever be, deplored, rendered a great and lasting service to his countrymen when he stressed, in his great work on the People's Three Principles, the importance of a period of tutelage for the nation, which was tyrannized and held in a state of serfdom by the semi-civilized Manchu usurpers close on three hundred years, the Dark Age of China, in the worst sense of the term, that will go down in history as one of the most appalling parodies on civilization the world has ever known.

Penang S. S., February 21, 1929.

Proposed Forestry School at Tsingtao

BY C L. KENG, B.SC.

D. Y. Lin, dean of the Forestry Department of National University, Peiping, has petitioned the Ministry of Agriculture & Mining, Nanking, suggesting that a Forestry School be established in Tsingtao. Mr. Lin is a well-known forestry expert and has done a good deal of forestry work in different parts of the country and especially in Tsingtao where a few years ago he made a record for himself by preventing the militarists from mortgaging to a Japanese syndicate the entire forests there for a sum of $100,000.

There is no doubt that China needs forestry very badly. In view of the present unusual keen interest shown in forestry development all over the country, Mr. Lin's suggestion is a very timely one and should receive the careful attention of the present Nanking Government.

Mr. Lin's long petition which appeared in the local press is, in part, as follows:

"Perhaps we are not aware of the fact that our country is the most backward nation on earth in forestry matters. We as a nation not only have neglected forestry, but we have allowed deforestation to go on unchecked for centuries. As a result of deforestation we have brought upon ourselves many costly calamities. There is such a dearth of wood in our country to-day that I may say we are actually having a 'wood famine'. But a dearth of wood is not the only forlorn result of forest devastation, for there is a dearth of water and the ruin of the soil which follow in its train. The floods and water famine which occur with increased frequency have indeed made our country a very unhappy place to be in.

"It is said that 'prosperity and habitation are separated from poverty and desolation by forests'. Just to what extent this is true it is difficult to say. But there is no doubt that the influence of forests on soil, climate, rivers and streams, health and economic conditions is important and that the conservation of forests is a necessity in the life and prosperity of a nation. Dr. Sun Yat-sen, our great Leader, has pointed out very explicitly the importance of forestry in human economy and has urged that reforestation work be carried out in Central and North China simultaneously with other constructive measures in order to improve the physical condition of the country. It is hoped therefore that our present Government will pay special attention to this vital question and start reforestation work on all our denuded hills and mountains without further delay.

"But the task of reforesting our hills and mountains, however, is a prodigious one, and it cannot be accomplished unless we have men trained for the work. It is a source of great joy indeed that our present Government is contemplating the establishment of a special Forestry School for the training of men for the work. It is true that we have already many colleges and schools in the different provinces where a forestry course is given, but these colleges and schools, for various reasons, have not given enough emphasis to forestry training; and besides their equipment and facilities for practical work are insufficient and their locations are not suitable for conducting courses in forestry.

"I would like to suggest therefore if our Government is going to establish a Forestry School in the near future that Tsingtao be made the place for such a School. This suggestion is given for the following reasons:

"1. Because the forestry work in Tsingtao which was so carefully planned out by the Germans and maintained by the Japanese, is well-known throughout the country and will always be an object lesson of what forestry can do for the bare hills and mountains in the different parts of China.

"2. Because Germany is the most advanced nation in forestry matters, and what she did in Tsingtao and especially the technique and methods of work will be of great value to the rest of China.

"3. Because the 240,000 mow of public and private forests already planted there together with the hundreds of varieties of trees of great dendrological value will furnish an ideal place for practical work for the students.

"4. Because the experiments on the relation of forests to local water supply, on watershed protection, soil erosion, etc. have been going on in Tsingtao for years, and the results of such experiments will be of great scientific value for forestry instruction.

"One could go on enumerating other advantages of Tsingtao, but suffice to say that nowhere in the whole of China today can we find a place more suitable for the establishment of a technical Forestry School because of the natural as well as the artificial advantages already there.

"It might also be mentioned that the Germans did lay a foundation for a Forestry School in Tsingtao in conjunction with their forestation work. I would further suggest therefore that our Government look into this matter and see if the foundation laid and later on, abandoned, might not be made use of. . . .".

Mr. Lin has certainly gone into the question very thoroughly. He speaks from experience. It is sincerely hoped that our present leaders will take into consideration the timely suggestion of Mr. Lin and pay special attention to this vital question of forestry.

College of Agriculture, Peiping, March 5, 1929.

America's Position in World Economics

(*From Liberty Magazine*)

According to Prof. Irving Fisher, who is Professor of Economics at Yale University, a recent survey made by C. G. Poore, economist, finds that the United States does two-fifths of the world's work; consumes one-half the world's basic materials of commerce; produces more than half the world's iron and steel; three-fifths of the world's coal; half the world's timber; three-quarters of the world's oil; three-quarters of the world's telegraph and telephone equipment; and 29 out of every 100 automobiles on earth are American cars. Other figures he gives follow:

America has 18,000 miles of airways, of which 8,000 are lighted for night travel, and there are today 3,700 licensed air pilots in the United States.

Herbert Hoover's Committee on Elimination of Waste in Industry did much to revolutionize factory organization, and the Department of Commerce now is growing in its foreign service with the corresponding strengthening of America's commercial ties in every part of the world. For instance, the commission found that proper medical supervision, periodic physical examinations, health education, and community hygiene would save the country G.$1,800,000,000 annually by preventing disease.

In 1927, the American income was almost G.$90,000,000,000 and the average income per person gainfully employed was over G.$2,000.

During the fiscal year 1928 the banking resources of trust companies gained G.$1,500,000,000, making them now G.$22,000,000,000, and banks in America report resources for the same fiscal year as being G.$71,574,000,000, or an increase of G.$3,140,000,000, over that of 1927. Savings in American banks total more than G.$28,000,000,000.

In mass production, 9,000,000 American workers in 200,000 industrial plants produce yearly G.$50,000,000,000 worth of goods.

During the past year America exported G.$500,000,000 to Europe where it was needed, but retains G.$600,000,000 of the billion used as backing for the nation's gold certificates.

Investment trusts have been organized throughout the States which invest funds advanced them by persons for this purpose in securities. Headed by experts, they place their deposits over a long list of shares, some of which pay handsome profits and some of which do not, but the average of all these is much higher than the interest on bonds, and this keeps thousands of private speculators out of the market, and saves them millions annually that they would have lost.

"No Apologies, no Regrets for Tsinan Incident

(*Japan Chronicle, March 4*)

At the meeting of a special committee of the House of Representatives on the 4th instant, General Shirakawa, Minister of War, asked by Kishi Mamoru, a Minseito Member, whether the Government was going to convey to the Chinese Government its feeling of regret for the killing of Mr. Tsai, the foreign commissioner at Tsinan, during the trouble there, replied that the Government was going to do nothing of the sort. Mr. Kishi then asked how the authorities regarded the firing on the Tsinan Hospital by the Japanese troops. This inquiry elicited from a Government Delegate the reply that the first firing came from the Chinese troops quartered inside the Hospital, and the Japanese troops simply responded in self-defence. Such being the case, he said, Japan was not called upon to express regret for what had taken place.

In reply to another question by the same member, if the authorities had any intention of conveying their sense of regret to the Chinese authorities in connection with the attack on Tsinan, General Shirakawa said that the Government would never apologise to the Chinese Government for anything that had occurred after the Japanese troops started operations at Tsinan.

Flood-Prevention In South China

Mr. G. W. Olivecrona, Engineer-in-Chief of the Board of Conservancy work of Kwangtung, has submitted a full report on the work now completed for the protection against floods of the Sunglung Valley, West River. The report was completed by Captain N. R. Bjuke who has been in charge of the work.

The Sunglung valley is situated within the Koyiu district of the province of Kwangtung, on the right bank of the West River of Sikiang, immediately above the Lung Yang Gorge. On the north the valley opens towards the West River for a stretch of 6.8 km. (11.8 li) but is otherwise enclosed within mountains and hills, thus forming a basin with its lowest part at the centre of the valley. On the south it is connected with the Koming River valley by the Ping Town and Lu Tze depressions, while on the west one large depression, at Hokou, and a number of smaller ones, in the vicinity thereof, connect the Sunglung valley with the Sunhing Kong valley. The Sunglung valley is drained by the Sunglung creek, which with a number of small tributaries traverses the valley and disembogues into the West River close by the Lung Yang Gorge. During a part of the year the creek serves as a traffic-route from Pakto market town, situated in the centre of the valley, to the West River.

The total drainage area of the valley amounts to 410 sq. kilometers (1,276 sq. li or 481,580 mau), of which approximately 135 sq. km. (416 sq. li or 160,870 mau) or 33% are cultivated, or possible of cultivation.

The report states that previous to the completion of the Sunglung conservancy scheme only a small part of the valley was enclosed within dykes. This part, which is called the Tailam and Silum dyke-enclosure, is situated along the West River at the north-western corner of the valley and covers an area of 10.7 sq. kms. (12,750 mau), the whole of which is cultivated. These dykes were, however, of insufficient height, their crest being sometimes 1.2 meters (3.2 check) below the highest flood-levels, and they were to a great extent inferior in construction. They did not afford any protection against floods of large magnitude. When such floods occurred, as in 1914, 1915, 1918, 1924 and 1926, the dyke-enclosure was subjected to entire inundation either on account of the river overflowing the dykes or on account of wash-outs.

Apart from the aforesaid Tailam and Silum dyke-enclosure the whole Sunglung valley was previously unprotected against the West River floods. On occasions of extreme floods a very small section only of cultivated land was safe from inundation.

Within the Sunglung valley there are about 150 villages of various sizes with a total population of about 150,000 inhabitants. Farming in the staple industry, 80-90% of the population deriving their livelihood therefrom. Besides, there is some home-industry with matting and earthenware as principal products. Finally, pisciculture in the ponds within the valley is practised to some extent.

Opposition to the Scheme

For years the population of the Sunglung valley, has, naturally been most desirous of protecting their valley against destructive floods. During the last 40 years several more or less sporadic attempts have been made in this respect, But one after another failed owing to objection, raised by the inhabitants of neighboring valleys along the West River already enclosed within dykes. The opponents claimed, that the closing of the Sunglung creek would cause an additional rise of the West River, thus endangering their dykes.

The extraordinarily severe floods of 1914 and 1915 with their great loss of life and property put an end to the patience of the inhabitants of the unfortunate valley, who, however, still had to struggle for justice for several years. Some persons, who were natives of the Sunglung valley, but were living in Hongkong and Canton, fully realized, that the entire future welfare of their home districts depended upon adequate protection against floods. Through their instrumentality a stock company, the Sunglung Reclamation Association, was finally formed, and financial co-operation was secured from villagers in the home districts as well as from interested and influential natives of Sunglung, living in Canton, Hongkong and Australia. Funds were raised by the selling of shares among the interested parties. During their earlier attempts to protect their valley, the Sunglung people had no support from any technical authority. The Board of Conservancy Works of Kwangtung had in the meantime been organized with instructions to investigate means to be taken to protect the province against floods. The Sunglung Reclamation Association therefore solicited the assistance of the Board, which then worked out a definite scheme for the protection of the valley. On the recommendation of the Board the execution of this scheme was, in February 1922, finally authorized by the Civil Governor. The struggle with the opposing communities did not, however, cease herewith. They repeatedly petitioned the Civil Governor to cancel the authorized scheme, but the Civil Governor held firm to his resolution. When, later on, actual construction work had begun, the opposers further tried, in more ways than one, to impede the progress of the work.

The principal features of the project are: Control sluice at the mouth of the Sunglung creek with outlet and inlet canals; dyke connecting the sluice with the old dyke-system along the West River; reconstruction of the latter system, comprising the Tailam and Silum dykes; construction of dykes in the interior of the Sunglung valley, across depressions on the western and southern borders. Besides, the weak part of the King Fook dyke, situated on the opposite bank of the West River, was also reconstructed in accordance with the Board's decision to strengthen this dyke, before the Sunglung creek was finally closed.

The following gives a general descriefption of the various parts of the work.

The Control Sluice

The object of the control-sluice is to make it possible to close the creek, when the rise of the West River becomes dangerous to the Sunglung valley, and to maintain the discharge from the creek into the river, when the stage of the river so permits. Besides, the sluice will serve to retain water in the Sunglung creek over the dry season for irrigation purposes and for facilitation of traffic on the creek.

The sluice has been constructed on the eastern bank of the creek, where the ground offered the best foundation, at a distance from the creek of about 40 meters (107 chek). The sluice consists of a 12.7 meters (33.9 chek) long and 7 meters (18.7 chek) wide chamber, which is extended by sidewalls 25.6 meters (68.4 chek) to the north and 14.2 meters (37.9 chek) to the south. The structure, which is made of concrete, rests partly on solid earth. Cut-off walls, one at each end of the chamber, are sunk into the rock, in places as deep as 7 meters (18.7 chek) below the elevation of the gatesill or 8.5 meters (22.7 chek) below the lowest waterlevel on record, while substantial side-walls, also of concrete, extend from the mainstructure into the embankments. The sluice-chamber extends up to elevation plus 117.60, which is the level of the crest of the connecting dyke, i. e. 1 meter (2.67 chek) above the highest waterlevel on record. The free opening is 7 x 9.05 meter (18.7 x 24.2 chek) extending from elevation plus 102. 50 to elevation plus 111. 50. Above the same a breast-wall, likewise of concrete, is made across the chamber. The free opening has been calculated to serve navigation as well as drainage purposes. Thus the elevaton of the sill permits a navigable depth at lowest low water of 1. 5 m. (4 chek), while the opening is high enough to allow the passage of native craft during the normal low water season.

The gate is of the so-called "Stoney"—type, the principal features of which are: easy and reliable operation under all conditions, also against rapidly flowing water, and the requirement of small power for operation. This kind of gate is therefore especially suitable at a place in an outlying district, where only man-power is available and where the gate is to be operated under comparatively unskilled local supervision.

The gate has been designed to withstand the pressure of and to be operated against, a head of 8 m. (21.4 chek) on the riverside (corresponding to a maximum water-level of 15 m. (40 chek) above the sill on the river-side and a simultaneous minimum water-level of 7 m. (18.7 chek) on the creek-side) and also against a head of 3 m. (8 chek) on the creek-side (corresponding to a minimum waterlevel of 1.5 m. (4 chek) above the sill on the river-side and a simultaneous maximum waterlevel of 4.5 m. (12 chek) on the creek-side).

The gate is made of steel-plates, supported by horizontal girders of steel-joists; the latter are framed to vertical steel end-beams. It is suspended at each end by means of two bridges, and operated by help of a heavy counterbalance of reinforced concrete. This counterbalance is suspended at each end by means of four parts of steel wire ropes, two parts winding on to the above mentioned cast-iron barrels and two parts passing to a "dead end", fixed to the operating bridge. This counterbalance thus travels only half of the way travelled by the gate, the purpose of this arrangement being to facilitate the balancing of the gate and to reduce the height of the superstructure.

The gate travels in grooves, formed in the concrete masonry, and bears, according to the "Stoney" principle, against frames of free rollers, interposed between the moving gate and the heavy iron casting, attached to the grooves. The roller frames are suspended in such a way, that they travel at half the speed of the gate, whether pressure is applied to the gate or not. Their function is to reduce the friction between the gate and the iron castings to a minimum, making it possible to move the gate by a power of only a few kilograms per ton of

he horizontal load to which the gate is exposed. For protecting he rollers against the rush of water under the gate, when the atter is partly raised, shield-plates have been fixed to the groove members.

As the control-sluice has been constructed on the side of the original creek, it has been necessary to excavate special outlet and inlet canals to the sluice, the bottom of which has been partly lined with stonepaving. Should the sluice later be used for boat-traffic the construction of stone revetment walls along part of the canals will be indispensable; but owing to the limitation of available funds, the construction of such walls has been postponed for the present. As a temporary arrangement rubble has been dumped along the eastern canal-bank for protection against scouring.

The excavation for the sluice turned out to be more comprehensive than originally expected. The old foundation had now to be removed and the excavation extended, until solid rock was reached. It was also necessary to extend the foundation for the cut-off walls as deep as 7 m. (18.7 chek) below the sill-level, or 18 m. (48 chek) below the original ground. In making the excavation, springs were frequently encountered. Continuous pumping was, therefore, necessary to keep the pit dry. A combination of motor-pumps and native irrigation-pumps were employed for the purpose. At times the water had to be raised as high as 14 m. (37.4 chek),

When excavation for the in-and outlet canals was prodeeding continuous pumping was also necessary. The excavation caused much trouble on account of frequent slides taking place along the canal on the northern side of the sluice, where the substratum consists of bluish clay.

The Reconstructed Tailam and Silum Dykes

Tailam and Silum are in reality names for different sections of the dyke, which protects the Sunglung valley, where it opens towards the West River. Tailam is the name of the upstream part of the dyke, and Silum the name of the downstream part. The slopes of the Tailam-Silum dyke were generally very steep and their protection was inadequate or entirely absent. On some stretches burrow-pits had also been dug right up to the old dyke, thus further weakening it. An almost entire reconstruction was therefore necessary. In regard to slopes with grass facing, damage by vermin and mice always hampers the maintenance; but in the case of the Tailam-Silum dyke a far greater danger to the maintenance of good grass-slopes appears. Owing to the deplorable habit of the villagers to permit their cattle and poultry to roam about on the dyke, considerable damage is done.

The retaining walls have been made of rubble masonry, laid in mortar of 1 cement and 2 lime to 6 sand, and with pointing in cement mortar. In some cases the walls have been built on a foundation, supported by piles. To a smaller extent, when conditions have permitted, the retaining walls on the land side have been laid in dry masonry with pointings in cement mortar. The total length of the reconstructed Tailam-Silum dyke is 5.74 km. or 10 li.

The Dykes in the Interior of the Valley

On the western border of the valley there are six depressions in the water shed, one large one at Hokou and five small ones at other places, which naturally had to be closed by dykes. On the southern border dykes were required only across two depressions, called Lu Tze and Ping Tow. The dykes in the interior have all been constructed as homogeneous earth-embankments. The slopes have been laid in 1 vertical to 3 horizontal on the side exposed to the floods and in 1 to 2 on the other side. For the dykes on the western border a material was used, which became semi fluid, when saturated with water.

The Partly Reconstructed King Fook Dyke

Although not directly appertaining to the Sunglung project, the improvement of the King Fook dyke was considered advisable. As compared with the Tailam-Silum dyke, the King Fook Dyke was generally in a better state. The reconstruction of this dyke has been similar to that of the Tailam-Silum dyke.

Before commencing the filling of a dyke, vegetation and surface soil was removed from the whole site of the dyke. To insure a good bond with the natural soil a cut-off ditch was also dug in the center line of the dyke. Generally good filling material was available at comparatively short distances from the dykes. Only where villages were located along a dyke, were longer transports unavoidable.

In regions exposed to inundation the actual working season is confined to 7 months of the year at the most. In some years this short working-season is further reduced on account of unexpected high waters.

So far, it has not been possible to find contractors with the necessary experience and qualifications to undertake work of the kind specified and in an out-of-the-way district. However, the direct management of work has enabled the Board to collect much useful data in regard to construction, where no similar work had been previously undertaken; it has also presented good opporunities for the training of the staff.

Practically all the work was let on small contracts direct to the labor gangs. Although it required a somewhat comprehensive supervising organization, this system proved very satisfactory. Only in one instance, when the services of experienced quarry men were required, was the work placed on contract with a Hongkong stone cutters' firm.

The work was under the direct charge of a foreign engineer, assisted by a Chinese staff of engineering assistants and clerks, with the office at Sunglung-Shiuhou. For the immediate supervision of work at far-off sections a number of sub-offices were also organized. At Sunglung-Shiuhou two permanent brick-buildings were erected to serve as office and living quarters for the staff. They were built on an old grave-hill, situated close to the projected sluice and being the only place available above highest floodlevel. Besides, matsheds for store and workshops were erected at the place. On a hill-side nearby a camp was also established with accommodations for about 500 men. The camp consisted of a number of matsheds, each containing from 16 to 48 beds. The matsheds for foremen and skilled workmen were of a somewhat higher standard, each with rooms for 2-4 men. Each matshed had a separate kitchen. Among the accommodations in the camp were also a spacious bath-shed and a large assembly-room. Similar camps on a smaller scale were arranged at the far off working places, but often temples and public houses in adjacent villages were available for the purpose.

Owing to the character of temporary or season work, carried on by the Board, no permanent labor force is maintained. Fresh forces are engaged for each individual work, and also for each season. Skilled workmen can always be found in Canton or Hongkong, although those living in these ports are often unwilling to go up-country. In regard to unskilled labor the Board is almost entirely dependent upon the local supply. As the Board had not before undertaken any work within the West River district, no experienced laborers were at hand for the Sunglung work. Only when a number of workmen, previously employed and trained by the Board within the North River district, had been brought to the place, and when rumors of opportunities for extra earnings were spread, did the local people begin to turn up. At times, the affux of people, asking for work, was then beyond the requirements. But often, and specially on occassions when agriculture absorbed all available man-power, the supply of laborers became a serious problem.

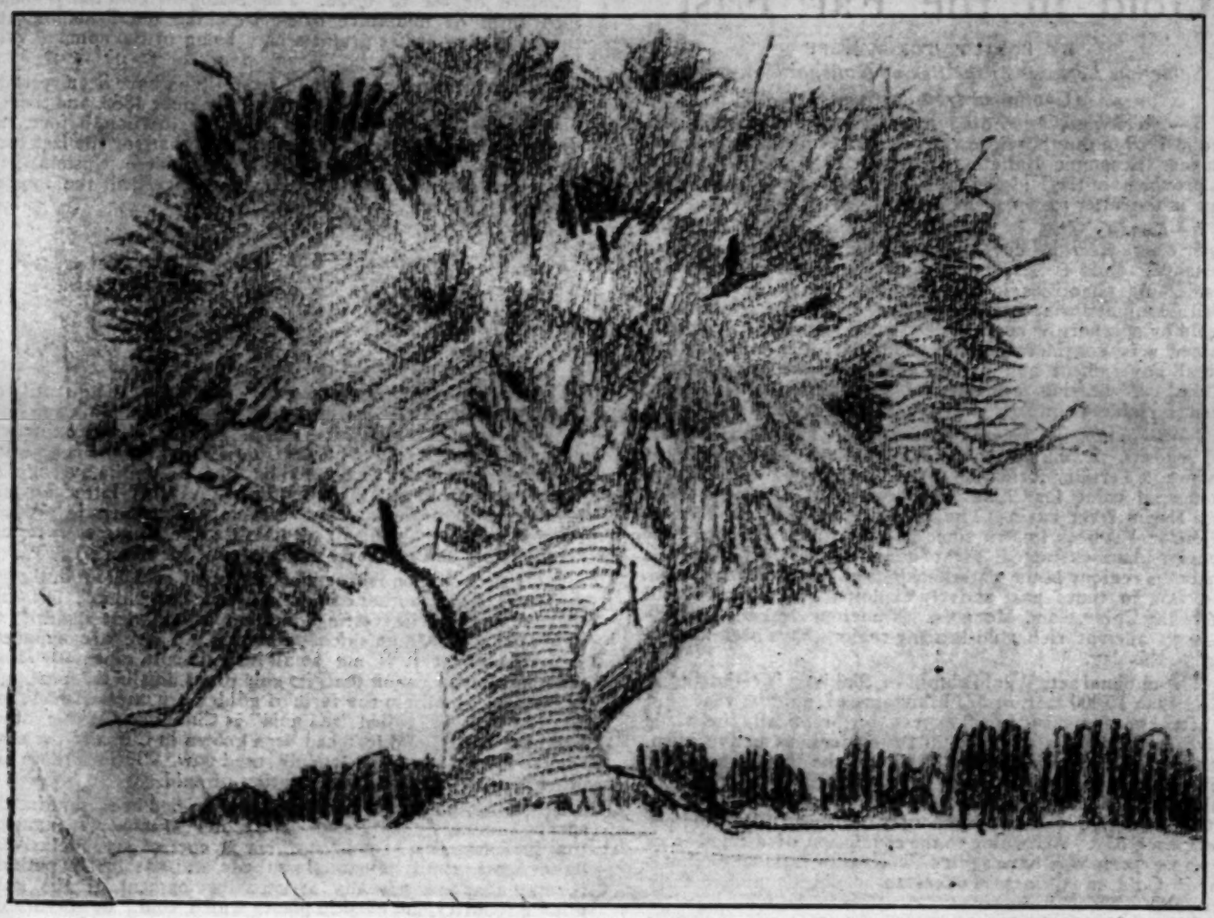
The new-recruited laborers were not accustomed to regular working hours or to any systematic work. However, it was surprising, how soon they grew familiar with both, and also seemed to appreciate them. A 9-hour working day was the rule. When necessary double shifts of 9 hours were introduced in the work on the control-sluice. The number of workmen and laborers varied much from time to time. The maximum number was reached during the third working season and amounted to 2,528.

The total expenditures for the works, including further improvements of the dykes up to September 30. 1928, amount to H. K. $632,484.65. Of this amount the Sunglung Reclamation Association has been debited $380,424.90, of which $310,-558.26 had been paid in to the Board up to December 1, 1928.

The works now accomplished give to the Sunglung valley an effective protection against floods. However, before the project can be considered as brought to its final completion, some further works remain to be done.

Yenching-Missouri School of Journalism Obtains G. $50,000 Endowment

It is reported that a campaign which has been conducted in the United States to raise the sum of G. $50,000 for the purpose of endowing courses in Journalism at Yenching University, Peiping has been successful and regular work at the institution will be started this fall under the direction of Prof. Vernon Nash who has been in the United States supervising the raising of the money. The endowment fund of G. $50,000 was largely raised through the efforts of Dean Walter Williams of the School of Journalism of the University of Missouri and in consequence the new school will be known as the Yenching-Missouri School. Wang Chung-hui, head of the Judicial Yuan at Nanking has been appointed chairman of the Chinese Advisory and Promotion Committee while the American committee contains the names of Dean Walter Williams, Walter A. Strong of the Chicago *Daily News* and George B. Dealey, publisher of the Dallas, Tex., *Morning News*. Most of the money for the project has been contributed by prominent American newspaper publishers.



大樹所以能亭亭特立，歷數千百年而不萎者，要在其根基之固，培植之得法。

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Gold in the Far East

BY BORIS P. TORGASHEFF
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(Continued from last week)

6.—*Kweichow.* According to an official statement, published in 1929 in the Kweichow Agriculture and Labor Journal, "Chinese Economic Bulletin", Sept. 1st 1928, gold is found in this province in the Kinping, Tukiang and Tienchu districts, being in the latter rather plentiful.

7.—*Kansu.* This is one of the few provinces of China proper where a serious development of the gold mining industry is possible. Gold is here found quite frequently in sufficiently considerable quantities in the Tertiary sandstone of the so-called Hanhai formation. Lucrative rapacious exploitation of gold by poachers or unauthorized mine workers, has already attained very considerable dimensions. At the present time several government and private gold mines are being worked on the gold-bearing alluvials of the Sining and Tatung districts, yielding annually over 10.000 taels or 373 kilograms.

8.—*Sinkiang.* (Chinese Turkestan). The rich alluvial gold deposits of Sinkiang, occuring practically throughout the province in Tertiary formations, may become of considerable commercial value for China. At present it is being worked in the Rarim river basin. The presence of gold in Chinese Turkestan has been known since ancient times. At one time Chenghis-khan extracted great quantities of gold in rich auriferous regions in the outbranchings of the Altai mountains. Gold was in times past actively exploited by the natives and sold to the Chinese and Mongols. Numerous legends regarding such ancient rich gold-bearing regions have been handed down to this day.

The minimal actual gold output of Sinkiang is estimated at no less than 10.000 taels or 373 kilograms of gold a year, but the actual production is far in excess, for practically the whole native population is engaged in the business as an avocation. In the sandy regions in the foot hills of the Altai range the natives, in view of the absence of water, still practice the old method of production, by means of winnowing sand, obtaining in this primitive fashion some fifty cents worth of gold per person each day. According to the conclusion of a number of Russian experts who have visited Sinkiang, a rational exploitation of Gold in Chinese Turkestan would be undoubtedly profitable.

9.—*Yunnan and Chahar.* To the provinces above named could be added the occurence of gold in small quantities in the Province of Yunnan and in the Special Administrative Area of Chahar, near Kalgan, and in the vicinity of Peking itself, in the Western Hills, where one German firm has recently done some prospecting jointly with the Chinese, but has abandoned them when negligible results were obtained.

***

E. C. Thurston, an American mining engineer who studied a large number of placer gold deposits in China, has come to the following rather disappointing conclusion in the account published in 1913 in the "Mining and Scientific Press" of San Francisco: "Gold Placers in Central China":

"From the examples of placer-mining described, it will be seen that the Chinese are keen prospectors, industrious workers, and are satisfied to earn a pittance. Gold is widely distributed throughout China, but probably in no readily accessible district in sufficient quantity and sufficiently concentrated to warrant foreign exploitation."

"The number of places in which gold occurs in the various hilly countries of Europe is probably greater, on an average, than an equal area of China. But no notice is taken of them because nobody could be induced there to wash gold for so little return as is generally obtained in China".

He mentions further that the Chinese gold washers of to-day, "with probably very few local exceptions, earn less than the lowest wages they can get for ordinary labor".

As examples of how low are the returns of the native gold washers, he mentions that on the Han river, in Hupeh, they obtain from 4 to 7 cents gold a day per man. Only occasionally, there is up to $2 per day.

***

In general it can be said that in recent times no serious new discoveries of gold bearing areas in China Proper have been made and, if one does not count the province of Kansu, Sinkiang and Manchuria, none may be expected.

***

Gold, both imported into and exported from China, is concentrated in Shanghai, where the Shanghai Gold Stock Exchange exists for the purpose of regulating buyiug and selling prices. Imported foreign coin and gold dust produced in China are melted in Shanghai into gold bars of the standard degree of 0.978. The Shanghai gold bar is shaped into form of miniature brick weighing ten Tsaoping taels, that is to say—366,71 grams a bar, being of the nominal value of U.S. $240.

Movements of gold to and from China have been recorded by the Chinese Maritime Customs only since 1888, and there is no way of estimating what was the gold situation before that year. Noteworthy, however, is the fact that for the last forty years, 1888-1927, recorded by the Chinese Customs, the exports of gold, in coin, bar, dust, etc., exceeded the imports by Hk. Tls. 95,866,718, as follows:

Table 16

Movements of Gold to and from China

1888—1927.	Haikwan Taels.
Total exports	366,328.627
Total imports	270,461,909
Net export for forty years.....	95,866,718

Although the Customs' records do not give the quantity of gold imports and exports, and the value of the Haikwan tael in gold was different, nevertheless we may approximately estimate the net export of gold from China, for the last period of 40 years, at about 120,000 kilograms, or, on the average, an annual net export of 3,000 kilograms. As this latter amount is rather close to the annual average of the domestic production of gold in China, it seems that the Chinese were not keeping gold and regularly exchanged it for silver.*)

Of such opinion is, for instance, such competent authority as Mr. E. Kann, author of the "Currency of China", but still there remains an interesting question as to what quantity of gold remains in China since past times. There are apparent indications that it is not at all insignificant, especially if we take into consideration that the gold plays, in China, some part in savings, usually in the form of golden ornaments, made of almost pure gold, called "red gold" in Chinese. On the other hand the use of gold leaf had been known in China in the most remote times, and it is widely used now. Besides there are other increases of the consumption of gold.

It is unnecessary here to repeat what has been said in the special summary chapters on China and Manchuria, namely, that the extraction of gold in China is carried on exclusively by the most primitive manual methods, and absolutely nothing is being done towards any serious development of the gold mining industry, not even in places which could be favorable for such development. It will be no exaggeration to say that gold mining in China is entirely without government protection and that all sorts of obstacles are put in its path, for that is what we cannot but term such facts as, for instance, that private gold mines, as in Szechuan Province, are subjected to taxes and fees totalling no less than 30% of their gross gold output.

Gold in Japan Proper

There are on the islands of Japan proper no gold deposits deserving any serious attention, thus much is definitely admitted by the Geological Survey of Japan.

The *alluvial* gold is found in Japan proper in working quantities, principally, in the Island of Hokkaido, where of much fame, at one time, was the Esashi mine. It even is on record, that in 1901 a nugget weighing 76 grams was picked up, but at the present time the production is insignificant. In a couple of other localities, of which we may mention the Ishikari and Hidaka mines, alluvial gold has been found on this island associated with platinum and iridiosmin. The present output of alluvial gold in Japan proper is quite negligible, varying from ten to twenty kilograms a year, if we may judge by a number of recent years.

The *vein* gold occurs in Japan proper in small working quantities in some northeastern sections of the Main Island, southwestern parts of Kyushu, in the latter principally at Kagoshima, and in the Sado island. The gold-bearing quartz veins usually are associated with pyrites, arsenopyrites, chalopyrites, etc. and, as a rule, are found in Tertiary rocks. Sometimes, vein gold is met with mixed with silver. Until recently the working of quartz veins has not been expressed in any imposing figures, and only since lately have come forward a number of mines of the *Oita prefecture*, in Kyushu. which gave in 1926 an output of about 3,325 kilograms (886,728 momme) of gold.

The larger portion of Japan's gold output comes, however, at the present time not from regular gold mines, but from the treatment of gold-bearing copper ores as by-product in thd production of copper. The average workable copper ore

*) Our task is limited to the economic aspects of the gold mining industry. For particulars of the role which gold plays in China's trade and currency we may refer the reader to Mr. Kann's "Currency of China" and a number of his other valuable works.

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of, the Besshi Copper Mine yields as much as from 0.00001 to 0.000013 per cent of pure gold per ton.

From all these three sources Japan proper was able to bring its annual production of gold up to 9,607 kilograms as in 1927, of which quantity 5.6 kilos only is represented by placer gold as per the last year on record by the Geological Survey of Japan. A general idea of the development of the gold outputs in Japan proper may be conveyed by the following official figures of the Japanese Mining Bureau:

Table. 17,

Output of Gold in Japan proper.

Year.	Kilograms.	Value in Yen.
1909.....	5,698	7,692,000
1917.....	6,982	9,388,000
1918.....	7.591	10,243,000
1919.....	7,173	9,681.000
1920.....	7,610	10,288.000
1921.....	7,269	9,712,000
1924	7,600	10,599,292
1925.....	8,463	13.154.961
1926.....	9,098	12,767,161
1927.....	9,607	13,170,699

As regards the consumption of gold in Japan, it is estimated ("Japan Year Book", 1929) to have been expressed during the recent year in the figure of over Yen 30,000,000, a year, that is to say—over 21,877 kilograms of pure gold, consumed for dental, other medical and industrial purposes alone. During the two later years Japan proper, Formosa and Korea decreased their aggregate annual gold output to about Yen 20,000,000, and for mediacal and industrial purposes alone Japan must now import about 7,000 kilograms of gold annually. It is impossible to ascertain what is exactly the Government specie reserve in gold, but we know that the embargo on gold and articles made thereof, introduced in 1917, remains in force till now.

VI.

GOLD IN FORMOSA.

Gold occurs in Formosa in insignificant quantities in its northern corner, principaly in the form of gold-bearing quartz veins.

The alluvial gold also is found in the island, but in such meagre quantities that its working is commercially unprofitable. The natives, however, have been panning gold since ancient times, and the total annual output of alluvial gold from the entire of Formosa very seldom amounts to some twenty kilograms, and more than nine-tenth of the Formosa's gold output falls to the share of vein gold.

Vein gold is the main object of exploitation, and a number of gold mines is already worked under Japanese management. In 1927, according to the statistics of the Japanese Mining Bureau, there was produced from working quartz veins 445.9 kilograms of gold, against of only 11 kilograms from alluvial mines.

The following outputs of gold we find officially registered by the Japanese Mining Bureau, with the recent figure available only for 1926:

Table 18.

Gold Output in Formosa.

Year.	Kilograms.	Value in Yen.
1920	558	753,000
1921	869	1,137,000
1922	673	908,000
1924	269	385,135
1925	242	374,648
1926	308	427,099
1927	457	621,896

It may be mentioned here, that Formosa exports to Japan proper not an insignificant quantity of gold-bearing copper ore which is worked in Japan proper and gold extracted entered Japanese official statistics as a product of Japan itself.

According to the official statistics of the Geological Survey of Japan, these exports of gold-copper ore were amounting to 54,855 metric tons valued at Yen 1,121,699 and 68,878 metric tons valued at Yen 1,269,786, in 1926 and 1927 respectively.

GOLD IN KOREA.

From what is known of Korea, the gold of that country deserves attention.

Gold occurs in Korea in alluvial and contact deposits and in quartz veins; the latter forming the most valuable source of the production of gold. These gold bearing quartz veins are mostly rich in such sulphide minerals as pyrite, pyrhotite, galena, zinc blende and arseno-pyrite. The pyrite and arseno-pyrite are the most important gold-bearers. In contrast to the Japanese islands, no Tertiary gold-bearing alluvials occur in Korea. The greater part of the gold output comes at the present time from the Heian-Do district, contiguous with the Yalu river, which separates Korea and South Manchuria.

Although, as it has now been proved, vein gold is of the greatest value for Korea, alluvial gold deposits are, nevertheless, quite frequently met with. These have been known since old and have probably been repeatedly worked. However, natives to this day carry on work on these placer deposits, producing an aggregate of about Yen 300.000 annually, according to the official Japanese estimate. Alluvial gold principally comes from mines situated at Shokusan and Yun-an.

The latest available official information of the Geological Survey of Japan places for the year 1927 the total gold production of Korea at 5,643 kilograms /5,342 kgrs vein, and 301 kgrs alluvial gold/, valued in total at Yen 6,133,931. But this is not all. For the same year of 1927, Korea exported to Japan proper 11,473 metric tons of gold-silver ore and 310 tons of gold-silver concentrates, valued at another Yen 1,301,957. Gold extracted from these ores in Japan proper enters its production statistics.

Prior to the war, the gold output reached practically Yen 9.000.000 annually. In post-war years it experienced a very considerable decrease, occasioned, in a great degree, by financial difficulties in which the European companies financing the foreign mines in Korea found themselves. Until, 1921, the total production of gold in Korea dropped down fo about Yen 3,300,000; whereas, commencing with the following year, gold production again commenced to increase at a rapid pace. The table below adduced gives a number of pre-war and post-war figures concerning the Korean output of gold, the larger part of which always fell to the share of vein gold, while only approximately 250-300 kilorgrams was the share of alluvial gold:

Table 19.

Prodection of Gold in Korea

Year.	Kilograms.	Value in Yen.
1901	3,711	4.933.351
1902	3,890	5.064.106
1903	4,108	5.456.397
1909	4,601	6.112.676
1910	6,683	8.883.629
1920	2,930	3,895.652
1921	2,486	3.3[illegible]4.652
1922	4,880	6.483.880
1924	4,172	4.972.229
1925	4,692	6.088.529
1926	7,159	7.904.656
1927	5,643	6,133,931

Table No 1 regarding the aggregate gold production of the Far East, contains for Korea the figure 5.693 kilos of the Japanese Bureau of Mines; but this figure must be said to be a definite and considerable underestimation, being perhaps one and a half times lower. The fact is, that it is greatly at variance with the very authentic reports of several foreign concessions in Korea, information with regard to which is not considered to its full extent, or else, possibly, is intentionally concealed from the mining supervision. Inofficial data regarding the gold production of foreign concessions, as summarized by the author, give for recent years an average figure of 8.460 kilograms, valued as high as Yen 11.000.000.

Even, according to the "Japan Year Book" for 1929 the total gold production for 1926-1927 amounted to over 7,100 kilograms, valued at over Yen 7,900,000.

It is characteristic of Korean gold mining that Korea is the only country in the Far East, where the mechanical extraction of vein gold has become well established, and, which is of still greater interest, the only country in the Far East at the present time, where foreign concessions are successfully working.

The Japanese, who in general jealously guard their mining industry against the intrusion of foreigners, evidently realize their own inability to utilize the vein gold reserves of Korea and they, therefore, some time before the war, admitted several foreign companies there on the basis of concession agreements. Later on, in 1915, they promulgated new Mining Law for Korea, article 6th of which granted mining rights not only to subjects of the Japanese Empire but as well as to foreign legal persons organised under the laws of the Empire. The only restriction (Art. 59) says that foreign legal persons may not succeed to mining rights, unless they have established their head office in Korea.

Holders of mining claims, both the subjects of the Japanese Empire and foreigners, pay nothing but a firmly defined by law royalty and ground tax. The latter is 60 sen per annum for every 1000 tsubo, while the former is one per cent of the total gold output.

This latter fact is worthy of the attention of the Chinese mining authorities, considering the actual taxation of gold

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mines in Manchuria and Szechuan which often runs up to 20-30 per cent of the gross gold output, and naturally kills the normal development of the China's gold mining industry.

The author has had many occasions to meet representatives of the large concessions in Korea, who unanimously stressed the fact that the terms of the concessions were found in practice fully suitable for work for a long period and that the Japanese administration in Korea not only refrained from any opposition to them, but, on the contrary, assisted greatly by means of laying good automobile roads in the districts where gold bearing areas were discovered by the concessioners.

At the present time six such foreign concessions are in operation in Korea, managed by the English, Americans, French and Italians, and the experiment of these concessions has already given definite favorable results.

On all these concessions the vein gold is worked, the extraction of it being conducted by means of modern methods of working ore, while alluvial gold is mined only by the American Chiksan Company (The Chiksan gold mining Co.), which has recently established dredging operations on its holdings, producing Yen 3,000,000 to 4,000,000 in gold annually.

The American Unsan Company (The Unsan Gold Mining Co.) possesses modern technical equipment for the working of vein gold, available in sufficient reserves to last twenty years more. It has been at work since the year 1913, having extracted during this twelve year period (to 1924 incl.) U. S.$10,701.157 worth of gold. Another American company, the Oriental Consolidated, during the twenty years of its operation, has extracted 6,000.000 tons of ore, obtaining, from this, gold to the value of U. S. $ 36.000.000. The French concession at Taiyudong has had less success, its, net profits for the twelve years from 1912 to 1923 totalling only U.S.$1.250.000. Nevertheless, the gold reserves and the concern itself are of such a solid nature, that in 1925 the British "Chosen Syndicate" purchased it from the French, according to the paper reports, for the sum of £143.234 in cash money, which is about U. S. $720.000. This latter fact alone clearly bespeaks the outstanding value of the Korean vein gold deposits, when such sums are paid, for the purchase of mines, in cash.

At different times several purely Japanese companies also made several attempts to work vein gold in Korea and even went as far as equipping with machinery two or three mines. Bu these attempts led to no results, due to the absence of gold mining experts among the Japanese and the improper organization of work. Very recently, however, in the year 1925, the organization has been commenced in the uorthern part of Korea of a large purely Japanese gold mining concern, headed by Baron Yi Byong Moo, which will, this time, be administered by foreign specialists. All preliminary prospecting it is said has been completed and work was to have been commenced in 1926. The average value of the ore which is to be worked on the concession of Baron Yi Byong Moo, given below, is characteristic of Korean vein gold deposits. Prospecting and analyses of this ore have established that a metric ton of ore has been found to contain on an average:

Table 20.

Metals.	English weight.	Metric weight.
Gold.....	7.50 Dwt.	11.6 gr.
Silver	2.00 Oz.	62.2 gr.
Lead.....	1.00 lbs.	445. kgrs.

Another preliminary prospecting, worthy of mentioning, was made in 1927 by Mr. K. Molchansky, well known Russian mining authority. The object of his prospecting work was the *Kanai* vein gold mine, situated in Keisho-Hokudo province, in the San-Do-San mountains which are stretching along the eastern coast of Korea. It is on record that for a number of previous years about Yen 425,000 was picked up there by the local Korean prospectors in the form of small and large-sized nuggets. On the other hand, the Kanai mine, operated by the Koreans along the most primitive methods, yielded during the period of three years, 1924-6, an output of gold valued over Yen 1,000,000.

The geological structure of the region investigated by Mr. K. Molchansky is represented by highly developed gneises and a powerful intrusion of the Palaeosoic granite, with numerous gold-bearing quartz veins. In the Kanai mine the vein worked contains visible gold, yielding from 4 to 8 units in weight to 10,000. For the whole of the mine's property, 3,000,000 sq. ft., Mr. Molchansky conservatively estimates average yield to be of 3 weight units only, and its untouched reserves of ore at 857,000 short tons, containing 25.71 short tons of fine gold, valued Yen 34,708,000.

(*To be continued next week*)

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Shanghai's Standing Army

(*Manchester Guardian, Feb. 12*)

We print on another page a photograph showing some of the Russian mercenaries enlisted and employed by the Shanghai Municipal Council. It will be observed that their uniforms are such that they might easily be supposed to form a part of the British Army. Indeed, an article in the Shanghai "Sunday Times" describes these men as "a tiny remnant of the Imperial Russian Army, dressed in British uniforms." Now it is generally known that during the civil war the ex-bandit General Chang Chung-chang employed on his behalf a considerable number of Russian troops, and that the reputation for brutality enjoyed by these troops was an unenviable one. This reputation may have been fastened upon the most blameless of men. In this case it is not the actual behavior of these men that matters but their reputation among the Chinese. That reputation was extremely bad, and it is generally known that many of these ex-soldiers of Chang Chung-chang have been enlisted by the Municipal Council. The same Shanghai newspaper informs us that "when originally recruited the unit was 250 strong, but was reduced when the military emergency confronting the Foreign Settlement disappeared. Now restored to its original strength, the unit will shortly be used on the wider and more effective scale made possible by the increased personnel." The military emergency has disappeared, but, in addition to its Volunteer corps, the Shanghai Municipal Council proposes to maintain a small standing army composed of men many of whom have fought against the Chinese Nationalists, with whom we hope to preserve the friendliest relations.

This small standing army is used to assist the police. Now some of the unpopularity of Great Britian in China has been due to the employment of Sikh police, who since they come from India, are supposed to be gifts from Great Britain. The employment of these Russians is even more likely to foster anti-British feeling among the Chinese. We are told that in an average month these Russians (in their British uniforms) search 20,000 persons, nearly 6,000 motor-cars, 17,000 rickshaws, 1,500 motor-buses, 2,000 trams, and 2,200 carriages. This may be useful and necessary work, but it means that in every month a very large number of innocent persons have the opportunity of a close inspection of British uniforms while submitting to the indignity of being searched by Russian soldiers disguised in them on behalf of the Municipal Council, which loudly proclaims that it is not British at all but international. It is difficult to understand why, by giving the Russian performers of such duties British uniforms, the International Settlement should be allowed to shift their deserved or undeserved unpopularity to ourselves. In any case, if Chinese have to be searched on Chinese territory it would surely be a great deal better that they should be searched by Chinese.

The League of Nations' Activities Regarding Opium

The very large volume of illicit traffic in narcotic drugs which still exists was closely considered by the Advisory Committee on Opium and other Dangerous Drugs of the League of Nations, whose twelfth session recently took place at Geneva. In the case of one chemical factory in Europe alone, over three tons of heroin, *i. e.*, more than half the world's annual production, had found its way into the illicit traffic in 1927 and in the first six months of 1928; and of this quantity by far the greater amount, namely, over 3.3 tons, went to China. On the other hand, the withdrawal of this factory's licence was a hard blow at the illicit traffic, and the new legislation being applied in Holland, Switzerland, Germany and France, based on the Geneva Convention of 1925, made it unlikely that such conditions would recur.

How the Japanese Penetrate South Manchuria Economically

That Japan intends to entrench herself firmly in Manchuria at least economically is evidenced by a report circulated by the *Ta Chang* News agency to the effect that the South Manchurian Railway Company has instituted a Mongolian and Manchurian Agricultural Committee with the specific purpose of assisting Japanese farmers to settle in Manchuria and Mongolia. Although details of the plan are not yet available, it is learned that it consists of two important parts. For the opening up of the interior of Manchuria for agricultural purposes a sum of $20,000,000 will be invested in the construction of agricultural stations throughout Mongolia and Manchuria.

WHAT IS HAPPENING AT THE THIRD KUOMINTANG CONGRESS

(*Continued from page 142*)

must be given equal opportunities in education." Another delegate proposed the adoption of compulsory education and the furnishing of free education, at least below middle school grade, for those who are not able to pay for it.

The Voice of the Women

Miss Liu who is a graduate of Women's Normal College in Peiping has been active in women's movements and Party affairs. She expects to submit to the Congress other proposals in relation to the prohibition of prostitution, concubinage and girl slavery, the establishing of vocation schools for women, and the equality of men and women in civil laws. There are two other women delegates and one woman non-voting delegate in the entire Congress. They are Misses Soumay Tcheng, Ling Cheng-hua and Eur Yang Chuen respectively. Miss Ling is a graduate of Chih Chin University at Shanghai and has studied for two years in Tokyo Imperial University in Japan. She has also been active in Party Affairs for many years, at present being one of the Fukien Provincial Party Affairs Directors. The following are two of the most important proposals she has submitted: (1) the improvement of the family with regard to family economy, family sanitation, and family recreation; (2) the extension of women's vocational education, abolition of all customs detrimental to the welfare of women, improvement of marriage system, prohibition of prostitution, concubinage and girl slavery, and the extending of equal inheritance rights to women, etc.

It will be interesting to note here that besides these four women delegates, seats were assigned to three absentee women delegates. They are Madame Sun Yat-sen, Ho Hsiang-nin (Mrs. Liao Chung-kai), and Chen Pi-chung (Mrs. Wang Ching-wei). Seats were also alloted to other absentee members, such as Wang Ching-wei, Chen Yu-jen, etc. Some of the Central Executive Committee members who are present are Hu Han-min, Tan Yen-kai, Chiang Kai-shek, Tsai Yuan-pei, Chang Ching-kiang, Wang Chung-hui, Li Shih-tseng, Tai Chi-tao, Li Chi-sen, Sun Fo, Ho Ying-ching, Chen Kuo-fu, Ku Ying-feng, Chu Ming-yi, Miao Bin, Chou Chi-kang, En Ke Pa Tu, Shao Li-tse, T. V. Soong, and Wu Ti-cheng.

Nanking, March 21, 1929.

Horse Racing Bill Passes Japanese Diet

In the Japanese House of Peers March 12 Viscount Shijo, as Chairman of the special committee on the Racing Revision Bill, reported that the Bill had been approved by his committee with amendment.

Mr. Yamamoto (Minister of Agriculture and Forestry) stated that the creation of five race courses, provided for in the Bill, was deemed necessary from the point of view of industrial and national defence for breeding good horses, and that consequently the Government could not agree to a decision of the special committee to delete such provision. As to the other amendment, namely, the change of the rate of royalties to be paid by the racing clubs from 3 per cent. to 4 per cent and below, the Government was willing to accept.

Dr. Hijikata Nei (Koyu Club) opposed the Bill as a whole. He said that he did not believe in the sale of *pari mutuel* tickets. The Government could certainly find a way to increase the State revenue other than by such questionable means of taxing gamblers. He called the serious attention of the authorities to the serious effects which the measure was destined to produce on the minds of the people.

The Bill was read a second time, and then passed in the form amended by the special committee.

CUSTOMS NOTIFICATION NO. 1149.

Notice is hereby given that the Custom House will be closed, and the shipment and delivery of cargo suspended, on the 29th March, 1929.

W. R. MYERS,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th March, 1929.

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Cities through which the line at present operates are celebrated for their temples and walls and gates. Changsha, with a population of 500,000, is especially worth visiting. It is called the cleanest city in China and it is noted as the only city in the south which withstood the seige of the Taiping rebels who scourged China more than half a century ago. Trade is flourishing here always, the principal articles dealt in being rice, tea, paper, tobacco, hemp, paulownia oil, earthenware and antimony. Chuchow also is an interesting city, having many temples of note. The road from Shiuchow to Canton, and thence to Hongkong, is safe, comfortable and operates with first class service.

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No. 3

Is it to be War or Peace on the Yangtsze?

BY J. B. P.

Gen. Li Chi-sum, Chairman of the Kwangtung Provincial Committee and one of the leaders of the Kwangsi faction, was placed under arrest by the Nanking authorities on Thursday afternoon, March 21. It was also stated that a definite declaration of war against the Kwangsi faction might be issued before the end of the week.

Whether it was to be war or peace on the Yangtsze was still a debatable question when these lines were written on Thursday afternoon, March 21, but the tendency seemed to be in the direction of war, although there was a report from Nanking that Gen. Chiang Kai-shek had stated that no further moves would be made during a period of four days, dating from Wednesday, March 20. An indication of the serious outlook was conveyed in a resolution sent to the Third National Kuomintang Congress by the Chinese General Chamber of Commerce and other Chinese commercial organizations in Shanghai on March 20. This telegram stated that "since the completion of the Northern Military Expedition in the spring of last year, the Chinese people had been very happy because there had been peace and an opportunity had been given for resumption of business." It stated further that troop disbandment had begun and "laws had begun to be legislated," but now, "to our great surprise even before the Japanese troops had been withdrawn from Shantung Province, the situation on the Yangtsze had become very grave. As a result of this situation the Chinese people can neither eat nor sleep because of the threat of a renewal of civil war." The telegram concluded with an urgent request that the Third National Kuomintang Congress "should create a special court for deciding the dispute in accordance with the laws and principles of justice. That will prove that our country is really governed by law!" The significance in the Chamber's telegram is largely based on the fact that Chinese chambers of commerce and bankers associations usually do not become excited about a threatened political crisis until a few days before something happens. However, there is hope that this rule will not apply this time!

Gen. Li Chi-sum, One of the Leaders of the Kwangsi Faction.

On the Side of Peace

In a considerationof the political situation which appeared in *The Review* on March 16, it was stated that while there are serious elements favorable for an outbreak of war involved in the present crisis, there is at the same time more water available for quenching the fire. Probably the most important element on the side of peace is the general realization on the part of the leaders on both sides of the present issue, that a fresh outbreak of war would, in all probability give the country a set-back of three or four years from the standpoint of confidence which has been created in the ability of the Kuomintang or Nationalist Party to govern the country. Under conditions which prevailed in China prior to the coming into power of the Nationalists, there was no binding element such as the country now possesses in the Kuomintang and the so-called Sun Yat-sen principles or political program which points the way to peace and reconstruction providing means can be devised for compelling observance of principles.

The Military Situation

The dangerous elements in the present situation all center about the inability of the Government to disband its surplus troops and reorganize them into a centralized, unified force subject to the orders of the central authorities. The recent Military Reorganization Conference which was held in Nanking supposedly settled this question by providing for a gradual reduction of all the armies proportionately but thus far the resolutions passed at the disbandment conference still remain on paper. They have not been translated into definite accomplishment because of the elements of mutual suspicion and intrigue for power which have characterized Chinese domestic politics almost continuously since the First Revolution in 1911. From a numerical standpoint the various armies are rated approximately as follows:

First Route Army (Gen. Chiang Kai-shek)	292,000	men
Second " " (" Feng Yu-hsiang)	179,000	"
Third " " (" Yen Hsi-shan)	108,000	"
Fourth " " (" Li Chung-jen)	170,000	"
Szechuen Armies under various generals	208,000	"
Canton " " Gen. Chen Ming-hsu, etc.	90,000	"
Fengtien " " " Chang Hsueh-liang and associates	128,000	"
Kirin Army	75,000	"
Total	1,250,000	

Of the above troops, only about 270,000 are directly or indirectly involved in the present complications which have been popularly labeled the "Hunan crisis." These troops belong to General Chiang Kai-shek and Gen. Li Chung-jen, Gen. Chiang having about 150,000 in the area embraced by Nanking, Kiukiang and Nanchang, and Li Chung-jen having about 120,000 in Hupeh and Hunan provinces. Should trouble actually develop it would come from clashes between Gen. Chiang's troops and those of Gen. Li Chung-jen in the vicinity of Hankow. There is little likelihood of the troops under Marshal Feng Yu-hsiang and Yen Hsi-shan being involved in the present crisis, unless of course the unexpected should happen and the trouble spread all over the country, in which event there might be a recurrence of the so-called "red" activity and the emergence of a military dictator who would have the confidence of the rank and file of the troops as well as the masses of the people.

The Cause of the Troubles

For those who have not been following the situation closely, the present trouble started in Hunan Province when three subordinate generals of Li Chung-jen in Hunan Province got together and ousted an appointee of Gen. Chiang Kai-shek, who was head of the Hunan provincial committee. This upset the balance of power which had been carefully maintained between the Chiang Kai-shek and Kwangsi factions in the Kuomintang and as a result the situation immediately became critical with both sides moving troops to positions of vantage, the center of the trouble being in the vicinity of Kiukiang in Kiangsi Province which is located about midway between Hankow and Nanking. The Wu-Han or Kwangsi faction, led by Generals Li Chung-jen, Bei Tsung-chi and Li Chi-sum, are now trying to bring Kiangsi Province under their control while Gen Chiang Kai-shek is trying to extend his influence over Hunan. This is the real seat of the trouble which has more or less narrowed itself down to a struggle for survival between Gen. Chiang and his opponents in the Kuomintang Party. What the civilian leaders of the Party are trying to do is settle the case peacefully without resort to war and in the event of war to localize it in Hunan and Kiangsi Provinces as much as possible. The danger rests in the continued concentration of troops because where large bodies of troops are lined up in opposition to each other it is easy for trouble to start even despite the efforts of leaders to prevent an outbreak.

An Ultimatum?

On Thursday, March 21, five generals, each a division commander under Gen. Li Chung-jen, at Hankow, Hu Chung-tao, Hsia Wei, Tao Chuen, Chen Su-wei and Chang Myi-chen sent a telegram to Nanking in which they charged that three divisions of troops under Gen. Chiang Kai-shek were continuing to move on Hankow from Anhwei Province despite the official statement of Gen. Chiang that his troops had been ordered to remain in their present positions while the Third Kuomintang Congress was trying to bring about a peaceful settlement. Gen. Chiang replied to this telegram by declaring that the Central authorities "had been most lenient in settling the Hunan incident and that the movements of the Government's troops in Anhwei were purely for protective purposes in order to guard against contingencies." This telegram concluded with a definite warning that unless the Wu-Han generals immediately submitted to the mandates of the Central Government that there is no further hope of maintain-

(*Continued on page 168*)

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SHANGHAI

Not a Waste of Money

From Joplin, (Mo.) Globe

At the close of its semi-annual meeting at St. Louis, last Saturday, the Missouri Press Association voted $1,000 to assist the school of journalism which is a part of the Yenching University at Peking, China.

There will be people to wonder about this. How can Missourians be justified in spending money for journalistic instruction in China?

There is a good reason for it. China is on the verge of a literary revolution that promises to be far more important than the political revolutions that have been under way in that country for some time. Vernon Nash, who is the present head of the school of journalism at Yenching University, thinks it is entirely possible that China may, like Japan, become literate in a generation.

China has been handicapped in its effort toward self-government by the fact that less than five per cent of its people have been able to read and write. A few years ago there were virtually no newspapers in China. Today there are more than 1,000 daily newspapers there. Clearly the quality of these papers, the standards they promote, the idealism they present to their readers, will have great influence on the China of tomorrow.

Nash, who is visiting in this country and was one of the speakers at the Press Association meeting at St. Louis, points out that China has been in the same boat with aviation and with Chicago, in that her difficulties and unsavory happenings have been exaggerated before the world with little emphasis given to her accomplishments. In aviation we hear more of the crashes and loss of life than we do of the amazing progress being made. Every citizen knows something of Chicago gunmen and racketeers but not many know that the Chicago art museum had more visitors last year than any other art museum in the entire world and that her public library circulated more books last year than any other library in the entire world.

So with China. Nash, points out that his university last year lost not a single hour on account of political or military troubles. He thinks if there is a yellow peril it is the peril of yellow journalism over there. When one considers that China has almost one-fourth the population of the entire world it is easy to realize that her potentialities will be great when she does acquire general literacy. Money expended in this country to help insure a sound journalism there will be money well spent.

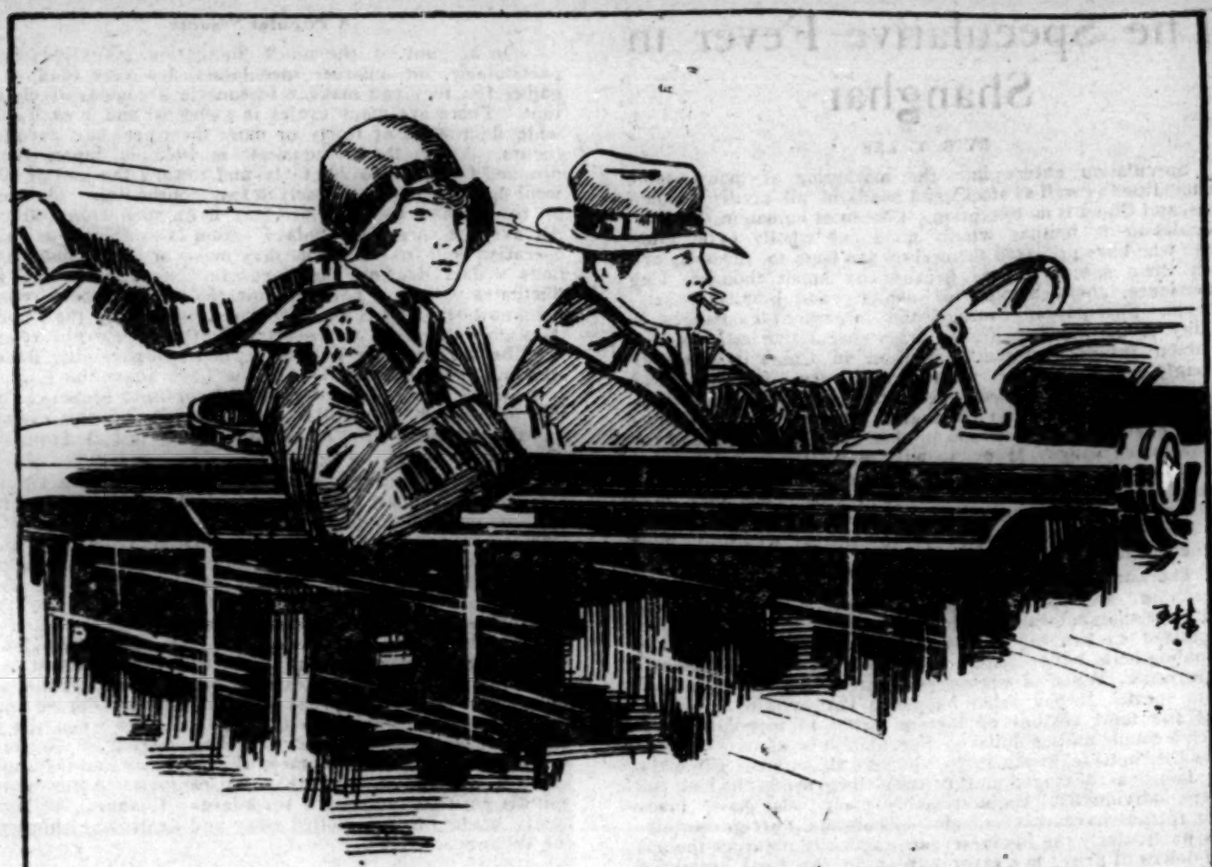
The S. M. R's Scheme to Penetrate Manchuria Economically

Under the pretext of relieving Chinese disbanded soldiers and war-stricken emigrants from China Proper the South Manchuria Railway Administration has, according to advices from Mukden, launched a gigantic scheme for the reclamation of waste lands in Manchuria and Mongolia by Japanese farmers. Having failed to obtain land leases from the Chinese authorities the South Manchuria Railway last year organized an Agricultural Investigation Commission of Manchuria and Mongolia and started an extensive investigation of cultivable lands in the two territories. The investigation was completed last month. The scheme of the Railway is to allot a sum of $20,000,000 for the establishment of one big, one medium size and one small agricultural district in Manchuria. All the three districts are to be established in the vicinity of the Pilin River. Sixty practising agricultural students are now under training at Kumaokashiro in Japan, waiting to receive their shares in the newly created districts. When the experiment of the three agricultural districts in the Kwantung Territory turns out a success the Industrial Development Association of Eastern Asia, a Japanese organization in Manchuria, is to proceed to appraise the price of all waste lands in Manchuria and Mongolia. After this process is completed, all waste lands thus appraised shall be purchased through one way or other by the Association and placed under the management of Japanese agriculture students called up directly from Japan. To operate these lands Chinese disbanded soldiers and unemployed loafers are to be employed.

American Financiers Make Loan to Soviet Russia

A recent *United Press* message from Moscow stated that the first American loan to the Soviet government was signalized recently be a contract signed in New York for the Soviet by Aaron Scheinman, president of the State Bank of the U.S.S.R. and M. Bron, head of the Amtorg Trading Corporation, and for the American side by Felix Warburg, banker, and Dr. Joseph Rosen, director of Agro-Joint.

The loan was subscribed by a small group of American millionaires, half of it, $5,000,000, being taken by Julius Rosenwald, $1,000,000 by Felix Warburg, $500,000 by John D. Rockefeller, Jr.



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The Speculative Fever in Shanghai

BY B. Y. LEE

Speculation enters into the marketing of many staple commodities as well as stocks and bonds in all civilised countries, and China is no exception. Like most human institutions, speculation is neither wholly good nor wholly evil. Only those who have prepared themselves can hope to succeed, and then their success comes because of much thought, long experience, ample amount of capital, and persistent self-control. Speculation through the organised exchanges in reality is not much different from speculative business done between traders yet public opinion in China is generally strongly opposed to the former, and very often no clear distinction is made between speculation and gambling. Practically all business men in Shanghai, Chinese and foreigners alike, have at one time or another speculated on one of the organized exchanges. Many "society" men often speculate clandestinely and depend upon the telephone entirely in giving orders to the brokers to buy and sell. Thus they may make or lose a fortune without the knowledge of their friends or families. It is this class of speculators who suffer most in the end for they are as a rule losers.

The word "exchange" in Chinese literally means "business emporium" and speculator means "opportunity-seeker", and hence speculation means "business" to many speculators. The organized exchanges, are popularly supposed in China to be gambling hells, but according to the term used they are business emporiums. When a person speculates, he does "business" so to speak. It has often happened that within two days' time the total amount of loss or profit to speculators may reach a couple million dollars. Speculation is mostly engaged in by the "outside" speculators, who, like all amateur gamblers, are losers as a class; and most of them are in the long run losers, individually. Unquestionably many who have made their fortune have been "outside" speculators. Foreign speculators, particularly the Japanese, can practically influrnce the ups and downs of prices to a great extent on the local organized exchanges, especially in the Gold Bar Exchange and the Chinese Cotton Goods Exchange.

The Chinese Exchanges

The following are the local Chinese organised exchanges:

The Shanghai Gold Bar Exchange, No. 2 Kiukiang Road;

The Chinese Cotton Goods Exchange 51 Ave. Edward VII;

The Shanghai Stock and Bond Exchange, 45 Hankow Road;

The Shanghai Produce Exchange, No. 1 Szechuen Road;

The Shanghai Oil and Bean Exchange, Ave. Edward VII near the I.S.S. Building.

The Shanghai Flour Exchange in the Chinese City near the French Settlement.

Among these organized exchanges, the Shanghai Gold Bar Exchange is the oldest and largest, the second is the Chinese Cotton Goods Exchange; and the third is the Shanghai Stock and Bond Exchange. The other three are not significant as they are not patronised by the public at large except by the traders of their respective trade. In 1921 Shanghai came to have a hundred and fifty organized exchanges with a total initial capital of more than one hundred million dollars. After a few months time the over-enthusiasm died out quickly and only those mentioned above are in existence to-day. The existing organized exchanges are not so much "traders' markets" but rather "speculative exchanges", as there is very little actual business being carried on.

The Shanghai Gold Bar Exchange is one of the largest gambling dens in the Orient; it is purely a speculative market, as the so-called gold bars that are dealt in are fictitious. No speculators either take or deliver gold bars on settlement days. Both seller and buyer must "cover" their outstanding transactions on or before the 16th of each month. On the average, the total number of fictitious gold bars transacted daily is about 100,000. The most violent fluctuation that has ever happened during a day's business hours from 9 a.m. to 5 p.m. has been Taels 15 per bar, or the total profit or loss to the speculators in a day has been about Taels 1,500,000. Of course such fluctuation has very seldom happened, except in the case of earthqukes in Japan or the sudden clash between the Japanese and Chinese soldiers in the Tsinan Incident. A unit is 7 bars, that is, one can either buy or sell any number of bars, multiple of 7. Brokerage per bar is generally one mace, but in some cases half a mace per bar is taken.

A Popular "Game"

On account of the qnick fluctuation, many speculators, particularly, the amatuer speculators, are very fond of this game, for they can make a fortune in a comparatively short time. There are many cycles in each year and in each cycle a wide fluctuation of thirty or more taels per bar frequently occurs. After the earthquakes in 1925 in Japan, the bar dropped from 400 to 200 taels, and toward the end of 1926 it went up from 330 to 425 taels in two months time. On account of the Tsinan Incident last May it dropped from 560 to 520. An average speculator "plays" from 14 to 35 bars in a single operation and by chance he may make or lose as much as 500 taels a day. During the "peaceful" days when the price fluctuates within a narrow limit, the margin money required for a unit of 7 bars is about 50 taels, but during the "stormy" days when the price fluctuates violently the margin required may be as much as 120 taels, depending on the financial standing of the clients. During the busy hours the Exchange is crowded to the door with speculators and brokers. Many big speculators generally stand outside of the exchange building to hear the "news' or to give orders from or to office boys.

During the course of a year many rich men have lost their fortunes, and many office boys and clerks have made large fortunes in this Exchange A most striking example is a Chinese young man who was graduated from St. John's Middle School in 1923, and without any position in sight, he went to speculate in this Exchange with $200 in hand. After the earthquakes in Japan in 1925 he sold "short" by pyramiding, that is, doubling the amount of selling after a drop of few taels per bar. To-day he is a multi-millionaire and also one of the biggest speculators in this Exchange. A story of how a 15 dollar clerk in a foreign bank once made a fortune in the speculation of gold bars has attracted wide gossipping among the speculators, During the latter part of 1926 when the gold bars went up from 330 to 425 this clerk started his "business" on the bull side with 50 taels. Within three months' time he made a fortune of more than 100,000 taels. Afterwards he quit his position and sought for a larger fortune. At last his newly made fortune melted away and he drowned himself in the Whangpoo River.

A Most Sensitive Market

The gold bar market is the most sensitive one. Practically speaking any slight economic or political change in either Japan or China at once affects the price. The floating of a foreign or domestic loan by the Japanese Government, a cabinet crisis in Tokio or a labor strike on a large scale in Osaka or even a report of the death of a Japanese party leader immediately causes a temporary big drop in gold bars. A national labor strike either in England or America would give the same effect. In fact the causes that influence the ups and downs of gold bars are so numerous that only men of wide experience, who are well-informed in foreign exchange, especially in connection with that between Japan and China, can cope with the situation. Even during the most peaceful days the fluctuation of price is from one to two taels per bar a day. For this reaon there are many "scalpers" who can make a few taels a day in taking advantage of slight fluctuations of the market.

The Cotton Goods Exchange was promoted by the Chinese cotton and yarn dealers and the millowners; its principal participators are those who are interested in the cotton and yarn trades including cotton millowners, although there are many "outside" speculators. This is not purely a speculative market as about 10% of the total amount of business transacted is genuine, the remaining 90% being the speculative. On the average the total number of bales of yarn transacted daily is 20,000, and that of cotton, 30,000 piculs. The margin money required per bale of yarn is 6 taels with 50 bales as a unit, and for cotton, three taels per picul with 100 piculs as a unit. When the fluctuation of price is too violent, the amount of margin money may be increased to two or three times that much. Should the price either drop or advance one-half of the margin money, the speculator is required to put up a second time margin. The nominal commission charged per bale of yarn is half a tael and for a picul of cotton 0.12 tael, but this amount may be reduced by 50% depending upon the amount of business done and the character of the clients.

As a rule when the country is peaceful and the demand for yarn is normal, the price goes in full sympathy with American and Indian cotton and the Japanese yarn in Japan. Before quotations are fixed in the morning speculators first have to see the New York, Liverpool, Bombay, and Osaka telegraphic quotations, and then the political and economic conditions of the country before taking any chance in buying or selling. These telegraphic quotations from abroad serve as price barometers, which constitute "inside information". Very few shrewd speculators can ever get all the "inside information" in regard to the trend of the yarn price, as there are many foreign as well as domestic factors governing its fluctuation. Externally, one hould thoroughly understand the cotton market in America

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and India, and the yarn market in Japan as well as political conditions in these countries; internally, he should understand thoroughly the actual supply and demand of China cotton, the economic and political conditions of the country, particularly in regard to the fighting spirit of the generals, and any sudden clamor of anti-Japanese movements. Groundless rumors and sensational reports in regard to movements of troops often cause temporarily a sharp decline in price. There must be some good reason if "breaks" come suddenly during the middle of a day and thoughtful speculators can not sit down quietly and consider them meaningless.

Sharp Fluctuations

A violent decline or advance of 30 taels per bale of yarn in a short time is a usual phenomenon in the Chinese yarn market. During the past two years, the fluctuation of price has not been very sharp on account of the steadiness of American cotton, which is a principal factor in governing the price of the China cotton. One who is ignorant of the American cotton market will be in the long run a loser. One reason why the Japanese speculators in the Chinese cotton and yarn market have been always successful is because they know the American market very well. The difference between the China and American cotton has been usually from 5 to 15 taels per picul including transportation charges, import duties, etc. During the present and past seasons the difference has been from 10 to 18 taels per picul, and for this reason many speculators who understand the American cotton market well have lost money. The explanation is that the supply of China cotton during the past seasons has been greater than the previous estimates and besides, during the past two years of continuous civil war, many farmers could not transport their holdings to the consumption conters until this season.

An artful manipulation in the Cotton Goods Exchange by a few big speculators has proved very powerful, and thousands of "outside" speculators have been "squeezed" out. There are six so-called "gold barrels" operating in this Exchange, who have millions available in this speculation business and they often join together in either buying or selling as a temporary trust. When the market is favorable, they would buy an unlimited quantity of either cotton or yarn and take the goods at the setttlement day; or when the market is dull, they would sell and deliver the goods. As soon as the "outside" speculators have found out there is a trick in manipulation, they would jump in on one side or the other, thus making an unusually violent fluctuation. A most striking example of artful manipulation has just taken place during the present week. On account of the constant rumors of the civil war during the past few weeks, many "outside" speculators have sold "shorts" heavily with a hope of a big decline, and at the same time these "gold barrels" have bought heavily amounting to 60,000 bales of yarn for the present month. The March settlement day comes on the 28th and the shorts must cover their selling before this day. But the "bulls" have an intention to take the goods as there is not enough stock of yarn in the local cotton mills even though the "shorts" had the money to buy the yarn for delivery For this reason the price of yarn has advanced from 165 to 184 taels per bale within the comparatively short time of three weeks, which is the highest price of yarn since 1921.

A Typical Chinese Institution

The Stock and Bond Exchange located in Hankow Road is truly a Chinese institution, for it is almost entirely patronized by Chinese. Nominally, shares are sold in this Exchange, but in practice, only the Chinese Government bonds are dealt in. Shares are bought or sold only privately among the brokers, but no official quotations are given hence the public at large does not know much about the price of various shares. On the average the total daily amount of transaction of the government bonds is one million and a half, and occasionally when the market is violent, more than seven millions have been transacted. This Exchange is not purely a speculative market as about 30% of the business is genuine; it is an investors' market as well, for a majority of investors come here to buy bonds for investment. The bonds are sold either for ready cash or for future delivery. The spot goods are sold or bought with 1,000 dollars as a unit; the future, with $5,000 as a unit. The margin money required for $5,000 unit is $300 with $8 for brokerage. Should the price drop or advance $4 at any time during a day's business hours, the operation is suspended for that day. All quotations are on a dollar basis because the value of the bonds are written in dollars.

The bonds issued by the Peking Government are called the "old bonds" and those issued by the Nationalist Government are called the "new bonds". The former bear 6% to 10% interest with a few exceptions, while the latter bear from 8% yearly. Generally speaking, when the country is peaceful, the price of these bonds reaches about 85 dollars on 100 dollars face value. Many conservative investors prefer to buy the old bonds in spite of the low interest, which are considered safer than the new ones. From the investment point of view, returns yielded from the new bonds are anywhere from 12 to 16% per annum. The current price of new bonds is from $76 to $83 on $100 face value. In spite of the instability of the government, continuous civil wars, and the heavy burden of national debts, all bonds that have been properly issued and well-secured have been fully redeemed or are being redeemed. A few years ago the bonds issued by the Peking Government were sold below 50%, and even before the formal establishment of the Nationalist Government, the bonds issued by this new government sold below 40%. When the rumors were current that the Communists had advocated cancellation of the national bonds in the spring of 1927, the bonds issued by the Peking Government reached the lowest point at 32. Since then they have risen to around 75. This indicates that those who have faith in the Chinese Government bonds have always made a handsome profit or received good returns on their money invested in bonds.

Except the amateur and reckless speculators, any one who has some experience as well as some means can make a fair living in buying these bonds whenever they have dropped a few dollars, and should the price continue dropping more, he can keep them and draw interest, which amounts from 12 to 16 % yearly. Take, for an example, the 2-1/2% bonds, which are sold around 83 bearing 8‰ monthly and are secured on 2-1/2% surplus custom duty. One can readily realise how much interest this kind of bond yields. A certain day in spring in 1927 when the price of all the bonds dropped as low as 32, the writer met an English speaking subject who was cashing his coupons on his bonds at the office of the Bank of Communications and asked him whether he knew the bonds had dropped considerably lately. His reply was thus: "I have very seldom bothered with the current price of these bonds and as long as I can cash these coupons, then I can get more than 12% returns on my investment. Why should I worry about the price?".

A National Bond Barometer

Before the government had been removed to Nanking, the price on bonds quoted on the Shanghai Stock and Bond Exchange, had always followed that quoted in the Peiping Exchange, for Peiping then was a principal source of political news, which governs the rise and fall of bonds. Besides, the office of the General Inspector of Customs was a great factor in influencing the price. When the Inspector said there wasn't enough money in his custody, the price of bonds would immediately drop. A small clique of Chinese bankers who were closely associated with the Inspector used to make large fortunes. Since Nanking has become the Capital of the Nationalist Government, the Shanghai Stock and Bond Exchange has become a national barometer for national bonds. A very few foreigners are in this speculation business. During the past two weeks of constant rumors of impending civil war, all the bonds have dropped from four to seven dollars. Should the political conditions show any improvement, the price of these bonds will go back to their normal value.

In spite of heavy losses of fortune and reputation, there is an untailing stream of "opportunity-seekers" flocking into these organized exchanges. Time and energy wasted in exchanges are parasitic activities yet persons who are shrewd, experienced, well-informed, with ample amount of capital, and unusual ability for such operation, are in the long run able to earn something in the nature of professional income. Many persons who are proud of their learning and scholarship have generally failed in this game as general education alone can not help any one to be successful in such undertaking. It has been proved that the Japanese speculators in the cotton and gold bar markets have been fairly successful as winners. They can see the prospective view of the market and are quick to take advantage of the irresolute, and besides, as a rule, they have more running capital to hold on when the market has temporarily declined. Speculators are human beings, and speculation, the rule of human endeavor, is blind and contains the possibility of evil. Every year large sums of money are lost in these organized exchanges by incompent speculators, and these losses are an economic evil for the community. The incompetent speculators themselves are to be blamed. Every person before going to do any "business" in these organized exchanges should seriously think over many times how well does he know his "business" and how much can he afford to lose without losing his "face" in society.

Shanghai, March 16, 1929.

Consular Statistics Show Exports from China and Hongkong to U.S.A.

Statistics compiled by the U.S. Consulate in General Shanghai, show that the total value of exports from China (including Hongkong) to the United States during the month of January was $16,662,707. Outstanding items are the following: Sausage casings (intestines) $261,210; weasel skins, $116,668; bristles, $227,240; bean-cake meal, $175,067; peanut kernels, $506,464; wood-oil, $1,936,906; raw cotton, $231,465; fiber hats, $261,259; carpet wool, $1,268,124; raw silk, $3,612,153; and tungsten ore, $113,737. All figures are U. S. gold.

Tension at Provisional Court Is Intensified

As things have developed in the controversy between the Consular Body and the Judges at the Provisional Court, the tension, instead of having been alleviated, has now been intensified. Another protest against the action of Mr. Van den Berg, the Senior Consul's (Dutch) Deputy who again suspended the lawyer, Tsu Zu-cheng, after the latter's disciplining by the court on Thursday of last week is contained in a letter from the President of the Provisional Court, Dr. Ho Shih-tsung, to the Senior Consul.

In this letter, which was sent end of last week, the President of the Court issues an ultimatum to the effect that until the dispute has been settled, no judge will sit with Mr. Van den Berg on the bench. The letter follows:—

"I am in sympathy with your statement in your reply dated the 8th instant that both the Judges and the Senior Consul's Deputies should receive the same respect from persons in the court, but I disagree with your claim that the Senior Consul's Deputies may forbid lawyers to appear in court without the consent of the judges, because the law courts are organized according to the laws of China and all actions in court must be carried out according to law.

"The sitting of Senior Consul's Deputies in the court is based on the Rendition Agreement. There is no provision in the Rendition Agreement that the Senior Consul's Deputies may punish lawyers without the consent of the Judges.

"You have admitted that it is the Judge's right to maintain order and to direct the legal proceedings in the court, and only the Judges, and not the Senior Consul's Deputies, are entitled to deal with the lawyers.

"Lawyers who have misconducted themselves in court may be forbidden to speak or forbidden to practice in court or handed over to the Lawyers' Punishment Commission for punishment, but all this must be carried out according to the Chinese laws for the organization of law courts, and the regulations governing lawyers. Judges who are empowered to deal with lawyers must carry out these punishments according to the laws, and the Senior Consul's Deputies who are not empowered to do so have violated the Rendition agreement in doing so.

"Moreover, in connection with Tsu Zu-cheng's conduct in court, Judge Kuh had already ordered Mr. Tsu not to interpolate something which had nothing to do with the case in hearing. According to Art. 64 of the Organization Laws of Chinese Courts the steps taken by Judge Kuh were perfectly legal and adequate. Had Mr. Tsu continued to speak in that manner, it was Judge Kuh who should have dealt with him. Mr. Van den Berg, before Judge Kuh spoke, ordered the foreign police to remove Mr. Tsu from the court without the consent of Judge Kuh.

"In addition Mr. Van den Berg wrote a suspension order on the charge sheet suspending Mr. Tsu for three months. By this he encroached not only on the judges' rights but also on the rights of the members of the Lawyers' Punishment Commission, and disturbed the order in the court. That was why I was requested by the whole body of judges to request you to order Mr. Van den Berg to apologise and give his assurance that no such action would be repeated.

"The whole body of judges are dissatisfied with your reply in which you said that Senior Consul's Deputies are entitled to forbid lawyers from appearing in the court.

"On March 12 Mr. Burdett and Mr. Ramondino called on me to discuss Mr. Van den Berg's case. As a result of that conference Mr. Tsu was ordered to apologise to the court and Mr. Van den Berg cancelled his suspension. But after that Mr. Van den Berg again asked the court to deal with Mr. Tsu for his conduct outside the court. Judge Kuh then told Mr. Van den Berg that until legal proceedings were started against Mr. Tsu the court would take no action in this connection. But Mr. Van den Berg again wrote something on the charge sheet forbidding Mr. Tsu to appear in court.

"The whole body of judges will no longer permit these illegal actions by Mr. Van den Berg, and until this question has been settled will refuse to sit with Mr. Van den Berg in court. At the same time the Kiangsu Provincial Government has been requested to open negotiations with the Consular Body in this connection."

In this connection also the the Shanghai Chinese Bar Association has passed a resolution asking the Commissioner for Foreign Affairs to refuse Mr. Van den Berg a seat on the Bench of the Court and to declare all records made out by him in the case of Tsu Zu-ching null and void.

The *Sin Wan Pao* of March 19 stated that the Shanghai Consular Body had held a meeting the previous day and later a reporter called on E. S. Cunningham, Senior Consul (American Consul General). The latter stated that the meeting did not discuss the Provisional Court incident as it would take some time to have a translation made of the letter sent by President Ho. Mr. Cunningham, however, is quoted as saying that it was unreasonable for the Chinese judges to expect the Dutch deputy to make an apology as his action was not illegal. Mr. Cunningham added that the way to settle the case was for both sides to obey the Rendition Agreement.

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An Advertisement of the Chinese Government Railways

No. 2

Who's Who in China

Mr. Lien Sing-hai

海聲連

Mr. Lien Sing-hai was born in the District of Hsuen Teh Province of Kuangtung, 1884. He graduated from a law School in Shanghai which was founded and administered by Dr. Wu Ting-fang. Later, he went to Japan and graduated from the Political Science and Economics Department in 1916. At the age of 20, he joined the Tung Meng Hui and took charge of the Cantonese members of the Tung Meng Hui in Shanghai from 1910-1911. Since he joined the Revolutionary Society, he had been a close follower of the late Dr. Sun Yat-sen, particularly in Dr. Sun's work in the Strait Settlements before the downfall of the Manchu Dynasty and in Japan and Shanghai after the Second Revolution. Upon his return from Japan, he was appointed Secretary to the Senate. From 1918-1924, Mr. Lien served as Ranking Secretary of the Military Government, the Generalismo's Headquarters, and the President's Office. During that period, besides other important secretarial work, he organized nine high government offices among which may be mentioned the Ministry of Reconstruction, the Supreme Court and the National Prosecutorate and was appointed concurrently Chief Secretary of the last two. Coming from a family of artists, Mr. Lien concurrently held the Directorship of the Bureau of Engraving at both the Generalissimo's Headquarters and the President's Office for several years. At the reorganization of the Nationalist Government, he was appointed Secretary, which post he relinquished when his organizing ability was called for at the reorganization of the Kuangtung Provincial Government, at the completion of which he was appointed Secretary-General of the Ministry of Communications and early in 1926, Secretary-General of the Nationalist Government in Hankow, and served in the same capacity for five months in Nanking. Last November, he was appointed Political Vice-Minister in the Ministry of Railways.

Mr. Lien is the author of a valuable work on Chinese Engraving. Some of his diaries were published in book form. He is also co-translator of a number of famous English novels into Chinese.

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Mr. Mei Lan-fang

梅蘭芳字畹華

Mr. Mei Lan-fang, China's most famous professional entertainer, a native of Yangchow, Kiangsu province, was born in 1893 at Peking. His exceptional ability was inherited from his father and grandfather, who were famous actors in Peking; and at the age of thirteen he made his first appearance on the stage, as a female impersonator. With years of experience and practice he became a very skilful performer, mastering the art of impersonation to perfection. At the age of nineteen, he made his first appearance in Shanghai, and in a popularity contest won 270,000 votes from his admirers, thus becoming known as the "King of Actors", in China.

In ancient China, singing and dancing went together, but after the Tang Dynasty, dancing was abolished so that singing was featured by prominent actors. Mr. Mei, being well versed in old literature, succeeded in restoring the long-forgotten dance, and produced many plays with both songs and dances. His initiative has been followed by many impersonations in the country. He has won wide fame in his dance impersonation of the "Tien Nu San Hua" or the "Heavenly Maiden Spreading Flowers", and the sword dance in "Pa Wang Pi Chi" or "King of the Chu Empire's Farewell to his Sweetheart."

At the age of twenty-five, he was engaged by the Japanese Imperial Theatre, and was heartily welcomed in Japan by all classes; this being the first time in the history of China that a Chinese actor had appeared upon a foreign stage. Three years later he was engaged for a theatrical season in Hongkong. News spread widely of his arrival, and the Governor of Hongkong was so well impressed that he persuaded Mr. Mei to make a trip to England. At his departure, the Governor presented him with a silver shield: and the Hongkong University invited him to address its pupils. Mr. Mei acts in over four hundred plays, about one third of which are his own production. His wardrobe and ornaments are valued in excess of $100,000. His movements and actions, in performing, are smooth and refined. He possesses a clear, penetrating voice, and his appearance is very dignified. Though at the zenith of success, he is ambitious, and continues his study of art.

He is a philanthropist, and has on many occasions offered

his services to charity. At a Peking charity fair, his autographed photograph was put to auction, and was purchased by a member of the Spanish Legation for $500. Mr. Mei is kind and generous, and devoted to the old standards of morality. His leisure time is spent in the study of mechanics, electricity and science. He is also a collector of old books of music and dancing. His hobby is gardening, and the raising of pet birds. He possesses an excellent knowledge of painting. At a Japanese exhibition his paintings were classed as special exhibits. He has many friends among famous scholars.

At a farewell banquet given by the President of China to the American Minister Dr. Paul Reinsch, the latter expressed the opinion that Mr. Mei should make a tour of America so that Americans could learn more of Chinese art. Mr. Mei has decided to pay a visit in America in the next year.

Dr. Y. Tinn Hugh Assumes Presidency of Sianfu University

Dr. Y. Tinn Hugh, whose articles dealing with conditions in Northwest China have frequently appeared in *The Review*, formally assumed the Presidency of Chungshan University at Sianfu, Shensi Province on February 10. Chungshan University was formerly known as the National Northwestern University, but was closed down during the regime of Marshal Wu Pei-fu. The school has a faculty and staff of about fifty and a student body of 250. Mr. Hugh (Yu Tien-hsiu) is a native of Canton and is a graduate of Valparaiso, Clark and the Univery of Maine. He was the founder and editor for sometime of the *Chinese Journal of Sociology*.

Marshal Feng Pushes Road Construction in North-West

In view of the primitive condition of communications in the Northwest, Marshal Feng Yu-hsiang is stated to be planning for the opening of 30,000 li (10,000 miles) of motor roads in the territory under his jurisdiction. Roads connecting Chengchow with Hankow, Chengchow with Hsuchow, Chengchow with Lanchow, Chengchow with Taiyuan, and Chengchow with Tungkuan, are to be constructed first. According to reports Marshal Feng has ordered that these roads must be completed in two years. The labor is to be performed by soldiers. Marshal Feng is also anxious to establish a steel foundry, to open petroleum mines, etc.

The Report on

EXTRTERRITORIALITY

Copies of the Report of the International Commission which investigated the Practice of Extraterritoriality in China may be obtained by addressing The China Weekly Review, enclosing the sum of $1,00 to cover cost and postage.

The Report contains four sections as follows:

Part I.—Present Practice of Extraterritoriality in China.

Part II.—Laws and Judicial System of China.

Part III.—Administration of Justice in China.

Part IV.—Recommendations.

In addition there is an appendix containing the Declaration of the President of China to reform the laws and administration of justice; a summary of clauses from the treaties containing the Extraterritorial provisions; a list of modern Chinese courts and prisons and a report of the Committee which toured North and Central China investigating conditions.

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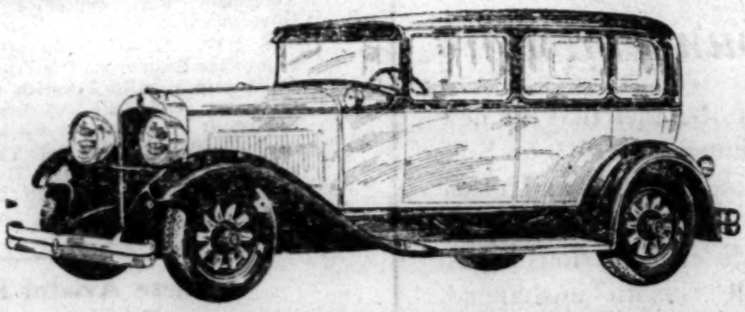

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In the United States Court for China

LUDMELIA MEDLENKA, Plaintiff.
vs
ARTHUR MEDLENKA, Defendant.

Cause No. 3153
Civil No. 1363
ORDER.
Filed at Shanghai, China.
March 2 1929.
L. T. Kenske
Assistant Clerk.

ORDER

The object of this suit is an action for divorce.

WHEREAS plaintiff herein, by her attorneys, on the 1st day of March, 1929, made application of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 2d day of March, 1929, the summons for defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 1st day of March, 1929, Ludmelia Medlenka, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has he been within the jurisdiction of this Court during the last six months previous to the 1st day of March, 1929:

NOW, THEREFORE, it is this 2d day of March, 1929, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" a paper of general circulation most likely to reach the Defendant.

IT IS FURTHER ORDERD that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 23d day of March, 1929, the day of last publication of this order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT,
Dated at Shanghai, China,
March 2d 1929.

MILTON D. PURDY
JUDGE

Announcement

In spite of the fact that the new Import Tariff imposes 22½% on Silk, Lacquer, Bronze, Satsuma and other luxuries which advances the cost of goods 10 to 15% over previous levels, our prices will remain unchanged. We have succeeded in importing our goods before the new tariff came into force, and desire our Customers to benefit thereby.

This applies, equally, to our SHIRT Department, where prices will be found to be as reasonable as they have ever been.

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service

Hankow, March 14.—Hankow district party newspaper opposes holding of Third Congress at Nanking.

Peiping, March 14.—Generals Feng and Yen stated to have come to an agreement to maintain peace in north jointly.

Nanking, March 15.—Third National Kuomintang Congress opens.

Peiping, March 15.—Feng Yu-hsiang, in view of Wuhan-Nanking situation commences to move troops southwards.—Chang Chung-chang and Liu Chen-nien arrive at compromise.

Nanking, March 16.—Dr. C. T. Wang states that Sino-Japanese negotiations are making favorable progress.

Hankow, March 16.—Japanese merchants commence export of persihable products under protection of armed guard.

Hankow, March 16.—Warlike preparations of Wu-Han troops against Nanking making remarkable progress.

Hankow, March 16.—Wu-Han Division of Political Council dissolves.

Mukden, March 16.—Japan files protest against stationing of 400 Chinese troops between Chuangho and Tafusan as violation of Japan-China 1899 protocol.

Peiping, March 18.—National Government asks Gen. Feng Yu-hsiang to remain in office.

Nanking, March 18.—Gen. Lu Ching-li reiterates that Gen. Feng Yu-hsiang resigned post of Minister of War because of ill-health and not for some other reason.

Hankow, March 18.—Chamber of Commerce issues telegram urging peace in Hunan crisis.

Peiping, March 19.—According to reports received here, Gen. Chiang Kai-shek has given secret instructions to Gen. Lu Tu-ping now at Nanchang to take offensive if Kuangse troops attempt to invade Kiangse.

Peiping, March 19.—A brigade under Gen. Liu Chun-ying, which had been ordered by Pei Tsung-hsi to move to Tongshan, has expressed obedience to Central Government.

Peiping, March 19.—Since the defeat of Chang Tsung-chang east of the Luan river, Pei Tsung-hsi had been arranging for a unification of Fengtien and Shansi cliques in order to oppose Nanking. This enraged Chiang Kai-shek and as a result Pei Tsung-hsi has decided to flee.

Peiping, March 19.—Gen. Pei Tsung-hsi reported to have arrived secretly at Tientsin March 16, then proceeded to Dairen with chief of staff Wang To-min.—Yen Chi's army continues aggressive movement against Gen. Tan Tao-yen.

Chinese Aviator Flying from Europe to China

A Chinese aviator, Wen Lin-chen, is at present on a Europe-Asia flight via the Indian Ocean. He left Berlin for Prague, March 21. From there he will continue his flight via Vienna, Budapest, Adrianople, Aleppo, Basra, Calcutta, Hanoi and Canton. Mr. Wen obtained a German flying-licence at Hamburg. He expects to arrive in Amoy in about three weeks and after arrival in China he intends to start a flying school in order to further commercial aviation. He stated in an interview before leaving Berlin that he was eagerly looking forward to his homecoming and expressed his gratitude to the Amoy Aero Club which is financing his venture.

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From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuo minchun) and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday, March. 13.—Third Group Army in Taiyuan district to be reorganized and partly disbanded.—Peiping gendarmarie raid secret "head-quarters" of Chang Tsung-chang outside the Hsichimen.—Canton advices state that reorganization and disbandment of Kwangtung and Kwangsi forces continues.—Chang Chi, Chairman of Peiping C. P. C deprecates any suggestion that there will be further civil strife in China.—Negotiations for resumption of through traffic on Tientsin-Pukow railway at standstill.—Sino-American joint committee for settling Nanking claims holds final meeting in Shanghai.—General Ho Chien, Bandit Commissioner of Hunan and Kiangsi petitions to be allowed to resign.—Chefoo reports situation unchanged, with insurgents inactive on banks of Yang Ping river.

Thursday, March 14.—President Hoover congratulates Chiang Kai-shek.—Central Political Council dismisses Chang Chi-seng, Gen. Hu Chung-tuh and Chang Hua-fu as members of the Wu-Han division of the Central Political Council.—Sufficient delegates arrive in Nanking to assure opening of Kuomintang Third Congress as per schedule.—Announcement made at Nanking that Control Yuan will commence functioning immediately after adjournment of Congress.—Gen. Feng Yu-hsiang announces that he will not be able to attend Congress on account of illness.—Chow Mu-tung, director of Canton radio station, prepares for erection of powerful station to operate for commercial messages between said city and Shanghai—Overseas delegates prepare proposals for submission to Congress.—Entire Hunan Provincial Government Committee resigns.—C. P. C. approves of Sun Fo's suggestion that foreign capital may be used in promoting industries in China, provided majority of stock and of directors remain in Chinese hands.—National Opium-Suppression Committee delegates to be sent to various provinces shortly to make report.

Friday, March 15.—Booming of 21 guns heralds inauguration of Third National Kuomintang Congress at Nanking.—Central Executive Committee has ready long list of proposals for submission to Congress.—Hankow reports that Wu-Han Political Council is abolished in accordance with instructions from Nanking.—Headquarters of Naval Commander at Kaochangmiao abolished.—Gen. Li Chi-sen announces that National Defense Council will convene shortly after Congress adjourns.—Mayor Tsui of Tientsin states that both Feng and Yen will cooperate with the National Government under all circumstances.—Ecuador and China prepare to sign treaty.—Tientsin Special Municipality budget shows deficit of $400,000.—Wang Ching reports improvements in Mukden and Suiyuan Railway services.

Saturday, March 16.—Szechuen provincial committee is formally organized.—Chinkiang to inaugurate model farm of 200 mow in outskirts of city in near future.—Hsueh Tuh-pi reports that 255 districts in Shensi, Kansu and southern Honan with a total of 12,000,000 face starvation.—Further reports on yesterday's opening of Congress state that nine members were elected a Presidium.—Chiang Kai-shek, issuing a ten thousand word statement, in connection with the opening of Congress, urges support from all delegates, pointing out that the fundamental defect in the Party is lack of unity; he urges that members should not betray the trust of their late Leader.—Hu Han-min, provisional Chairman of Congress, at yesterday's opening session, stated that if China's leaders did not redouble their efforts for the establishment of a sound democracy they would soon find that the republic existed only in name.

Sunday and Monday, March 17 and 18.—Gen. Chiang Kai-shek approves of general desire to increase numbers of Central Executive Committee from 12 to 20 members.—Gen. Li Chi-sen emphatically declares that his policy is to support the National Government.—Chiang Tso-ping, Chinese Minister to Germany, urges that National Government should immediately appoint delegate to League of Nations so that China may regain her seat in the Permanent Council.—Secretariat of Central Political Council receives reports of abolition of Canton, Wu-Han and Peiping Divisions.—Hsiung Bin formulates report for State Council on establishing a national air service.—Two Manchurian gunboats proceed to Chefoo to aid Gen. Li Chen-nien.—National Government decides to send delegates to conference on counterfeit coins to take place at Geneva next month.—Gen. Feng Yu-hsiang instructs that commercial air service be opened in Honan.—Mongolian

(Continued on page 167)

BACK ISSUES WANTED

Owing to requests which have been received from subscribers desiring a complete file of The China Weekly Review for binding and filing purposes, The Review will pay 50 cents each (big money) for each of the following issues. Five copies of each of the following numbers are desired:

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April	18	1925	„ 32	„	7
May	9	1925	„ 32	„	10
May	30	1925	„ 32	„	13
June	20	1925	„ 33	„	3
September	12	1925	„ 34	„	2
September	26	1925	„ 34	„	4
June	30	1926	„ 35	„	8
February	13	1926	„ 35	„	11
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September	25	1926	„ 38	„	4
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New Books of Interest in the Far East

Labor Statistics,—America, China and Elsewhere

Monthly Labor Review, Vols. 26 and 27. Published by U. S. Department of Labor, Bureau of Labor Statistics. Government Printing Office, Washington, D. C. 1928.

Bulletins of the United States Bureau of Labor Statistics, Nos. 391 to 458. Published by U S. Department of Labor, Bureau of Labor Statistics. Government Printing Office, Washington, D.C. 1926 to 1928.

The publications of the Bureau of Labor Statistics of the United States Department of Labor constitute one of the most remarkable compendiums of information on industrial life and labor in existence. The only publication really comparable to the Monthly Labor Review in scope is the weekly bulletin, "Industrial and Labor Information," published by the International Labor Office at Geneva. And even this splendid I.L.O. publication contains less detail, and the total number of pages is not more than half the total of the American periodical, taken month by month. Which does not mean that the "Industrial and Labor Information" is any less valuable, generally speaking, than the American "Monthly Labor Review."

It is not so very many years since persons interesting themselves seriously in industrial and labor questions were viewed with the deepest suspicion,—an attitude which still holds good in such countries as China. The writer recalls the surprise not unmixed with horror which greeted the Commission on Industrial Relations in (if I remember rightly) 1914, when this Commission, the creation of which was one of the best pages in the story of the late Woodrow Wilson, actually went into the study of the relations between workers and employers and police, dealing with civil war in the mining camps, murders and massacres by mine guards and strike-breakers, kidnappings by officers sworn to uphold the law, injunctions against strikers in towns and cities, violence against striking girl workers, and all the rest of the story, calling for evidence on employers, social workers, journalists, public officials, and labor leaders from little Sammy Gompers, the English Jew who was the greatest force in the A. F. of L., to big Bill Haywood, the American miner of pioneer stock who was the outstanding figure in the I. W. W., and before that in the revolutionary Western Federation of Miners,—both men now gone to their eternal rest, together with the sainted Woodrow himself.

Reviews and Bulletins

Fifteen years have passed since the time of the Commission, and information on labor questions is now being gathered and published everywhere. A single issue of the Monthly Labor Review contains a hundred or more articles, under a score of classifications: The 5-day week; the productivity of labor; industrial relations and labor conditions; minimum wage; industrial accidents and hygiene; workmen's compensation and social insurance; co-operation; labor congresses; welfare work; women in industry; labor laws and court decisions; industrial disputes; wages and hours of labor; trend of employment and unemployment; prices and cost of living; labor agreements, awards, and decisions; immigration and emigration; the activities of State labor bureaus.

Most of the information is on American conditions, but a single issue will contain articles on Britain, Canada, Uruguay, New Zealand, Sweden, Argentine, France, Austria, Czecho-Slovakia, Denmark, Russia, Germany, and the East. It is easier to get comparative data on labor conditions in India, China, and Japan in this publication than through any periodical published in China itself.

And to list only the subjects dealt with in special bulletins issued by the Bureau would take up several pages the size of this one. There are already nearly five hundred of them, ranging in size from reports of thirty or forty pages to volumes of eight or nine hundred.

What About China?

There is no country where information on conditions of industrial life and labor are as urgently required as in China. To put out publications of the size and scope of those of the United States Bureau of Labor Statistics is impossible here at the present time, but it is to be hoped that a beginning will be made in the near future. Several associations already exist, the most important of which so far are the Chinese Bureau of Economic Information (publishers of the Chinese Econonic Journal (monthly) and the weekly Chinese Economic Bulletin, as well as other literature), the Research Department of the University of Nanking (publishers of some very valuable studies of rural conditions), and the recently formed Social Research Department of the China Foundation in Peiping, which has already published some excellent studies both in English and Chinese.

The Labor Research Association which has been formed here through Albert Thomas' encouragement and support at the time of his short stay in China will devote itself to the publication of information on conditions of industrial life and labor in China and elsewhere, and is already starting the publication of a small monthly bulletin for this purpose. It is understood, however, that the association has so far received no contributions from the Chinese Government for its work,—a distinct contrast to conditions in the United States and other countries. It is to be hoped that they will in time be able to issue publications of the scope and value of those existing elsewere, but it will probably be a long time before they catch up to the U. S. Bureau of Labor's reviews and bulletins.

H. H.

The Founder of Soviet Russia

Lenin, by Valeriu Marcu (Translated by E. W. Dickes.) The MacMillan Company. New York. $5.

So interwoven is the life of Lenin with the development of Social Democracy and the Bolshevist movement in Russia that no attempt to accurately record the former could be made without including a comprehensive survey of the latter. Valeriu Marcu recognized this truism and in consequence his biography of the great mystery man of Russia presents not only the life of Lenin, but a rather exhaustive, and it must be admitted, laborious account of the social movement which made him famous.

Mr. Marcu has succeeded in creating a man of flesh and blood where little but a name existed before. So skillfully has he sketched his subject that the reader is able to sense the environment in which Lenin lived as a boy, and to experience thd gloom and oppression which aroused in him the desire to seek a solution for the ills of his people

The world, outside of Russia, is amazingly ignorant of this man Lenin. Here is an individual who was responsible for conducting the greatest experiment in social and economic reform yet attempted, an experiment involving nearly two hundred millions of people. And yet the average man sums up his knowledge of Lenin in the nebulous and misconstrued term "Bolshevik". Marcu brings enlightenment.

We learn that Lenin was born Vladimir Ilyitch Ulianov, the son of an inspector of schools at Simbirsk, on the upper Volga. The name "Lenin" was originally the nom de guerre of his brother, Alexander, and was assumed by Vladimir upon the execution of his brother for an attempt upon the life of Alexander III.

Lenin early manifested a desire for knowledge. After passing thru the Simbirsk schools he went to the University of Kazan where he studied law—and Karl Marx's "Kapital." Doubtless the latter book definitely led his thoughts into the paths of socialism, and stimulated the driving power which carried him thru thirty years of strife and hardship in his endeavor to develop a socialistic state. He had a voracious appetite for statistics and before finishing his university work he contributed an article to the Moscow *Legal News* entitled "The New Economic Movement Among the Peasantry."

It was natural for a man of such intellectual leaning to seek men with similar interests, and when Lenin finished school and went to St. Petersburg he became allied with the "Labor Libera ion Party." There followed years of socialistic work, carried on for the most part outside of Russia through the medium of a paper known as the *Iskra*. Lenin, keen realist, time and again quarrelled with other leaders of the party who were less practical minded. In the Social Democratic Labor Congress of 1903, held in London, a serious split occurred over the draft of the statutes of the organization. The group was divided into two camps which became known as the majority or "Bolsheviki" party, and the minority, or "Mensheviki" party. During the years that passed till the 1917 revolution, where these groups remained in the Social Democratic Party, they maintained separate headquarters. Lenin continued to be the driving force of Bolshevism.

The 1917 revolution is now history. Lenin was in Switzerland at the time. But, though he was not on hand to direct the initial phases, it was his years of moulding the opinion of the masses, and his elaborately constructed organization that made the revolution possible. Later, when the revolution was foundering for want of a leader who both understood the psychology of the masses and possessed practical ideas for the construction of the new state, Lenin stepped into the breach.

Lenin died on January 21, 1924, after an illness of three years. For thirty years he worked assiduously for an ideal; for seven years he ruled. Today his memory is an inspiration to a hundred and eighty millions of people.

Valeriu Marcu has made a unique and valuable contribution to contemporary biographical literature.

E.T.C.

Chinese Woman Edits Well Known Newspaper in Peiping

Mrs. Zau Piau-bing, widow of the well known Chinese editor in Peiping, Zau Piau-bing, who was executed three years ago by Marshal Chang Tso-ling, has recently revived the paper and has assumed the editorship. Mrs. Zau was in Shanghai recently purchasing supplies for her paper, which is known as the *Peiping Press* and as a result it was rumored that she was negotiating for the sale of the paper to a Chinese newspaper syndicate which controls publications in Shanghai and Tientsin, but Mrs. Zau stated in an interview that she intended to maintain control and give the paper her personal attention. Mrs. Zau is a graduate of a well known women's school in North China and long has been interested in political and social affairs. Mrs. Zau's husband was executed by Marshal Chang Tso-ling due to allegations that he had some connection with the Kuo Sung-lien rebellion against the Mukden dictator in Manchuria.

Mrs. Zau Piau-bing

General Motors' Dealers Convention Is Held in Osaka, Japan

The General Motors dealers of Japan held their second annual convention in Osaka last week. The convention was held March 13 to 15 in the Central Public Hall. The program consisted largely of talks delivered by the Executives in charge of the respective Departments of General Motors Japan Limited,—talks that touched on every phase and concern every problem of the motor car business. R. A. May was master of ceremonies. An address by E. M. Van Voorhees, Managing Director was one of the outstanding highlights of the Convention. On the second day the entire congress was transported from the headquarters of the Convention to the General Motors Japan Limited plant at Tsurumachi. There, an inspection was made of the entire premises, and opportunity given the delegates to witness motor car building in its every stage. Over one hundred Chevrolet motor cars were used to transport the delegates on the round trip between Osaka Central Public Hall and Tsurumachi.

FROM THE CHINESE PRESS

(Continued from page 165)

Delegate Pao submits plans for improvement of Inner Mongolia to Third Congress.—Salt Gabelle Chief Inspectorate announces that although no loan quotas had been received from Hupeh, Hunan or Manchuria, sufficient funds were available to pay Crisp and Anglo-French loans.—Gen. Feng Yu-hsiang petitions to be allowed to resign from post of Minister of War.—Third National Congress considers proposal of C. E. C. for Economic reconstruction.

Tuesday, March 19.—Feng Yu-hsiang, having resigned as Minister of War, recommends Gen. Lu Ching-lin, the Vice Minister, as his successor.—Hupeh educational department to hold examination April 28 of students to be sent abroad.—Reorganization and disbandment of troops in Taiyuan district continues.—Pei Tsung-hsi asks to be relieved of post of Disbandment Officer of Fourth Group Army.—Hsueh Tuh-pi announces that he is not opposed to Chinese practitioners, but wishes to suppress bogus herb doctors.—Later reports of 1st session of Third National Congress show that 238 delegates and 25 non-voting delegates were present. Of the Presidium, Hu Han-min, Chiang Kai-shek, Sun Fo, Tan Yen-kai, Kee Ying-fen, Chen Yao-yuan and Chen Kuo-fu were in attendance; Yu Yu-jen, who was reported ill in Shanghai, and Pan Kung-chang who had tendered resignation, were absent.

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IS IT TO BE WAR OR PEACE ON THE YANGTSZE?

(*Continued from page 154*)

ing peace; no further way of stopping the Nation from plunging again into an extensive war."

Bei Tsung-chi Forced out of the North

Gen. Bei Tsung-chi, one of the leaders of the Kwangsi group in the Kuomintang, opposed to Gen. Chiang Kai-shek and the Nanking faction, who has had control of the 4th army group in northern Chihli Province, was suddenly forced out on March 18 and 19, by Gen. Tang Shen-chi, former Hunanese commander who has been secretly residing in Tientsin since he was forced out of Hankow last year by Gen. Chiang Kai-shek. These Hunanese troops had been taken North last year at the time of the drive against Marshal Chang Tso-ling and their presence has been a constant source of friction with Gen. Yen Hsi-shan, controller of Shansi Province and the Peiping area. Gen. Bei's present whereabouts are unknown, but it has been variously reported that he has gone to Dairen in order to embark on a Japanese boat for Canton, his object being to get to Hankow in order to assume command of the Wu-Han troops in the event of an actual outbreak of war. Another report, however stated that Gen. Bei had actually arrived at Hankow, but there was no confirmation of either report.

Li Chi-sum's Efforts for Peace

Of special interest in connection with the efforts to bring about a peaceful compromise, have been the activities of the Cantonese General, Li Chi-sum, who, although a member of the opposing Kwangsi faction, has nevertheless exerted all possible efforts for peace. As soon as there was an indication of trouble, Gen. Li came to Shanghai from Canton and immediately interviewed Gen. Li Chung-jen who has been in a hospital here and then went to Nanking where he has exerted himself through the Kuomintang Congress to bring about a peaceful settlement. While his efforts at first were successful the present tendency is on the unfavorable side.

The Actions of Feng Yu-hsiang

Much depends upon the final decision of Marshal Feng Yu-hsiang, the controller of Honan, Shensi and Kansu Provinces and Western Shantung. Several days ago Marshal Feng resigned from his position as Minister of War in the Nanking Government, pleading ill-health as the incentive, and while his chief subordinate Gen. Lu Chung-lin, has remained in Nanking and is participating actively in the Third Kuomintang Congress, there have been other reports alleging that Marshal Feng may finally decide to join with the Wu-Han faction against Gen. Chiang Kai-shek. A *Reuter* report from Peiping on March 20 alleged that Marshal Feng was massing his troops at the town of Hsuchow in Honnn Province and that traffic on the Peiping-Hankow Railway had been interrupted owing to troop movements. This was alleged in the Japanese *Toho* dispatches as evidence that Marshal Feng would support the Wu-Han faction but thus far there has been no confirmation. The truth of the situation probably is that Marshal Feng is pursuing his usual policy of neutrality, at least until the situation has been sufficiently clarified for definite or fundamental issues to emerge rather than the elements of personalities and personal ambitions which now dominate the situation.

Punishment of Left Wing Leaders

Of interest in connection with the general polictical situation was the action of the Third Kuomintang Congress on March 20 in adopting a resolution ordering a reprimand for Wang Ching-wei, the leader of the so-called Left wing in the Kuomintang, the dropping or Chen Kung-po and Kan Nai-kwan from membership in the party and the suspension for three years of Koo Meng-yu, for their alleged complicity in the "red" or labor-peasant uprising in Canton late last year.

Guggenheims and Harrimans Negotiating with Soviet Russia

The London *Daily Express* recently gave details of negotiations which have been proceeding between the Soviet Government, and the Russo-Asiatic Consolidated, and the Guggenheim and Harriman interests of America. The Russo-Asiatic's properties in Russia, which were confiscated by the Soviet in 1918, consist of freehold and leasehold mining, agricultural and iron and lead mines, with steel works, lead refineries and other industries. The settlement which it is hoped to arrive at is that Russo-Asiatic's properties are to be handed back and that Messrs. Harriman and the Guggenheim group are to discount at par £2,000,000 in Soviet bonds. S. Guggenheim is chairman of the American Smelting and Refining Co., one of the most influential mining companies in the world.

Three Groups Make Offers to Take Over Shanghai Electricity Plant

The Shanghai electricity establishment, which is one of the largest Municipal electric undertakings in the world, has for the past month or so been the subject of much discussion. The electricity establishment, while a Municipal property, is in large part represented by outstanding obligations, running for ten, twenty or more years. The great majority of the outstanding bonds are held by Shanghai residents and business establishments, and the question of protecting the welfare of the electricity establishment in view of the existing, and also the probable future, political situation has, naturally, become a matter of much concern to the bondholders. There is a large section of the bondholders that feel that the electricity establishment would not continue to be efficiently managed when the Shanghai Settlement reverts to Chinese control, and they have therefore favored a move towards putting the electricity establishment into private hands. The Chinese community has strongly protested against any such move.

During the past month or more several groups have arrived in Shanghai with a view to purchasing the electricity department and the formal bids were opened at the Administration building at 5 p.m. March 19 by S. Fessenden, chairman of the Council, with whom also were A. W. Burkill, Chairman of the Electricity Special Committee, Arthur Basset F. N. Matthews, O. G. Steen, and T. Saito, members of the Committee; T. H. U. Aldridge. Engineer-in-Chief and Manager; J. T. Ford, Treasurer and Comptroller, H. Gordon Wright, Secretary to the Committee.

Others present were the Hon. R. D. Denman and P. W. Massey, representing Lord Meston's Group; A. Brooke-Smith and H. C. Lott, British Trusts Association, Ltd; Messrs. S. W. Murphy, H. F. Jackson. V. Meyer and F. R. Davey, American and Foreign Power Co. Inc.

The result showed that there were three groups anxious to get control of the plant. The American and Foreign Power Co. Inc. made a cash bid for Tls. 81,000,000.

The British Trusts Association made an offer of Tls. 51,000,000.

The offer by the Hon R. D. Denman was not to purchase, but to lease. His offer was that his group should lease the undertaking on terms of paying for the interest and sinking fund instalments on all the Council's electricity loans, plus a fixed rent of Tls. 2,000,000 per annum. After the payment of a 9 per cent. dividend on the Company's ordinary shares, three-quarters of the surplus profits go to the Council and one-quarter to the Company. A sliding scale of benefits to consumers is included, which operates after 10 per cent. is paid, not on the whole capital of the Company, but on the ordinary shares only.

The Municipal Council had prepared a memorandum of frachise on the basis of which all offers were made. It provided that the purchasers or lessors should have a monopoly, but would be obligated to take over all the Electricity department's obligations as regards staff and otherwise, and pay a rogalty of fwe fer cent to the Council on gross recebes.

The British Trusts Association Ltd. had made an alternative offer of £7,200,000 conditional on certain changes in the Council's memorandum, and had also made a tentative offer to lease.

All the offers are being taken under consideration by the Electricity Special Committee who will make their recommendations thereon to the Council, who will in turn submit a report to the Ratepayers meeting to be held next month.

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The Special Consumption Tax

BY C. Y. W. MENG 孟昭泳

At the Conference on the Abolition of Likin of the Five Provinces (Kiangsi, Chekiang, Anwhei, Fukien, and Kiangsu), the following resolutions were adopted: For the first two months, a part of the likin is to be abolished, and a part of the special consumption tax is to be collected. For another two months, a larger portion of likin is to be abolished, and more special consumption tax is to be enforced. In the following two months, all likin is to be abolished, and all the special consumption tax is to be enforced.

Since these resolutions were adopted by the Conference, and since Feb. 1 when the New Tariff came into effect, and when some of the provinces began to abolish likin and to enforce the special consumption tax, the Chinese merchants have been continually lodging protests against this tax.

Merchants' Protests

The Shanghai Chamber of Commerce and eighty other commercial associations, in a joint telegram addressed to the National Government urged the Government quickly to abolish likin, and quickly to stop the enforcement of the special consumption tax, pointing out that the Government would have nothing to lose after the abolition of likin, due to the increase of the custom duties. They characterized the enforcement of the new consumption tax as "increasing the customs duties and also increasing the likin, instead of increasing the customs duties and abolishing the likin."

The Chamber of Commerce in Nanking also lodged a protest—probably the strongest of all—in which they pointed out many reasons why the special consumption tax could not be enforced. In their petition, the Chamber asked if, for the revolutionary cause, the abolition of likin is justifiable or not. If the answer is in the affirmative, it should be done at any cost, just as the Government has done in the prohibition of opium, regardless of national revenue. Now, according to the Ministry's estimate, with the enforcement of the new tariff, the annual national income will be increased by $100,000,000. whereas the loss of the likin on the other side is only $60,000,000. What then is meant by "compensation"?

Again the Ministry might say that it is the duty of the citizens of a republic to pay the revenue. But, in the theory of taxation a heavy duty should be imposed on such commodities which are not necessities to the public. In other words, no tax or a minimum should be placed by the authorities on daily necessities. In the list for special consumption taxes, the Ministry has included oil, tea, paper, lumber, herbs, beans, and cotton, all of which are the people's daily necessaries. How does it agree with the theory of taxation, the Chamber asks.

Furthermore, is the consumption tax local or national? If it is for the provincial government, the local authorities can do it very well, but if it is for the Central Government, why should it be limited to the five provinces only? Can the Ministry say that likin in other provinces has not been abolished? For what reason is it to be maintained? Since much has been said about the unification of finances, why should in the course of financial re-organization, the Ministry purposely put these obstacles against its policy?

In conclusion, the Chamber asks that the tax should be cancelled temporarily, and meanwhile, a national conference should be called to discuss the situation.

In Nanchuang, capital of Kiangsi, some trouble occurred when the Government began to collect the special consumption tax and the stamp tax on toilet articles. The objectors pointed out that as the collection of the special consumption tax had not yet been started in other provinces, why should Kiangsi be the first one to pay the tax. They also complained that the rate is too high.

Many telegrams have been addressed to the National Government by many commercial bodies all demanding that the Government should stop at once the enforcement of the special consumption tax.

Minister Soong's Reply

T. V. Soong, Minister of Finance of the National Government, in his reply to the protests of merchants, pointed out that the special consumption tax is different from likin, in that likin taxes all goods, whereas the special consumption tax is levied only on some kinds of goods—less than twenty in number. Further, in working out the details for the enforcement of special consumption tax, the Conference on Abolition of Likin of the Five Provinces only based its decision on the decisions that were arrived atby the National Conference on the Abolition of Likin which was participated by representatives of the National Chamber of Commerce, the Chamber of Commerce in Shanghai, and Chamber of Commerce in Nanking, and the Ministry of Industry and Labor. The Ministry first abolished likin in these five provinces only because the Ministry hoped that it would be carried from "near to far." After the abolition of likin, the National Government is short of $70,000,000. Although the custom revenue is increased, yet after having to meet the obligations, and for constructive purposes, it is extremely doubtful whether the Government would have anything left for other uses. The Central military funds must be provided every mouth. So to levy the special consumption tax in order to compensate the loss of the revenue due to the abolition of the likin becomes, in the opinion of Minister Soong, a "necessity". As at present the State is in a difficult position, Mr. Soong urged that every citizen should help to share the burden.

Levy Is Not Advisable

Professor Seligman, in his essay on taxation, has the following to say regarding the consumption tax:

"A more careful economic analysis disclosed the fact that a tax on consumption regarded as a universal system, was unwise and unjust——unwise because a tax on mere luxuries would be most disappointing in the yield: unjust because a tax on necessities would fall with crushing severity on those classes which could least afford to bear the burden. Above all, it was recognized that by checking consumption we were thereby checking production, and that a general tax on consumption would possess most all the disadvantages of a tax on production and few of its advantages. Consumption taxes, therefore, as a sole or chief reliance of the government, have been fast disappointing. One of the first acts of the American government in Cuba and the Philippines was to abolish the consumption tax, and it is well recognized that the continuance of the municipal octroi in France and Italy is deplored by all serious students".

Thus, it is clear that the levy of the consumption tax is not advisable, for it falls with special weight on the poor consumers, it hinders the circulation of products, and it blocks the development of industries. It is calculated that in north China, the minimum annual cost of food and clothing for a family is $150 without considering rent, heat and indispensable sundries, but about 80 per cent of the families have less than this. In view of this deplorable and miserable condition of the people, to levy the special consumption tax on 16 kinds of commodities which include most of the national products and the daily necessities of the Chinese people, is wrong—not merely inadvisable. The modern tendency of taxation is to be interpreted in the light of the doctrine of the individual ability to pay. The system of taxation which is not in harmony with the economic life of the people is foredoomed to failure.

A Tremendous Loss of Revenue

But from the *Shun Pao*, one of the leading Chinese newspapers in Shanghai, we have the following table telling the tremendous loss of the revenue due to the abolition of likin:

Provinces	*Loss in Likin*:	*Gain from the Special Consumption*
Kiangsu	$9,000,000	$3,357,000
Chekiang	7,000,000	4,960,000
Anhwei	3,160,000	1,160,000
Fukien	5,130,000	3,320,000
Kiangsi	2,600,000	3,200,000
Total	$27,890,000	$15,980,000

From the above table, our government has to lose about $12,000,000 annually should it abolish likin within these five provinces. It is estimated that as a result of the enforcement of the tariff, China will be able to get an increase of $25,000,000 to $30,000,000 from the Customs revenue. But the loss of the revenue due to the abolition of likin in these five provinces is already $12,000,000. Should the likin in all provinces be abolished, the loss is destined to be greater. Thus the aim of raising more revenue for constructive purposes is defeated.

A Possible Solution

From the above it is clear that the merchants strongly oppose the enforcement of the special consumption tax, and it is equally clear that should likin be abolished, and should there be no substitute for the likin, it would be too difficult for our Government to go on. From the standpoint of our Government, the enforcement of the special consumption tax is a necessity. From the standpoint of the merchants, the levy of the tax is not necessary. From the legal side of the problem, the power of taxation is an essential attribute of sovereignty, for the support of the government, for the administration of the laws, and as a means of continuing in operation the various legitimate functions of the state. It is in theory absolutely unlimited in extent, but is only hedged about with certain positive constitutional limitations within which its exercise must be confined, in order to answer the requirements of legality. From the side of the constitutional right of the people, they have right to complain or protest any levy of tax within certain limit. Now, however, our Government insists that the tax be enforced, but the merchants are strongly opposing it; what is then the possible solution?

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Referring to Funk and Wagnall's New Standard Dictionary describes Neon as follows:—

"A gaseous element isolated from Argon by Ramsay and Travers in 1898 at a very low temperature. It occurs in the air to the extent of from 1 to 2 parts per 100,000, has a density of 9.95 and its atomic weight is 19.9. When exposed to an electric discharge in a vacuum tube it gives a reddish orange hue."

Neon is the Greek word for new.

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Let us now assume that the special consumption tax be enforced in accordance with the following *principles*, and if it prove satisfactory, let that be the solution.

First, in enforcing the special consumption tax, the Government should be able to make some remarkable differences between likin and special consumption tax. Likin taxes all kinds of goods when they were in transit. The special consumption tax should tax the goods as whole in one place. After the duty is paid, it should be free to go to any part in China. That is, to say, in one province, there should not be special consumption tax on all 16 kinds of commodities. The obvious reason is that by means of the special consumption or production tax, it is meant that the government should tax the goods where consumed or produced, and as no province can produce all these 16 kinds of goods, there should be few special consumption taxes in any one province. In this way, we will realize, the burden of the merchants would be greatly reduced.

Secondly, there are altogether 16 kinds of goods on which the special consumption tax would be levied. They are: oil, tea, papers, tin-foil, sea products, lumber, herbs, porcelain wares, animals, medicine, paint, animal skins, mine products, cocoon, silk, yellow beans, and cotton. Among these let some of them be exempted. For example, silk and tea. It is a well-known fact that the Chinese silk industry is now in a precarious state owing to the Japanese and Italian competition abroad. It is therefore not rational to further increase the price of the Chinese silk by taxing either the cocoon or silk. It is equally irational to tax Chinese tea, as the Chinese tea industry is now in a poor state because of the Japanese competition. All the Chinese national products which have to meet the competition abroad when exported, and also the daily necessities for the Chinese people, should never be taxed, while the rate for other kinds of commodities should be somewhat reduced. According to the resolution, the tax rate for the necessities is from 2½% to 5%: for semi-luxuries, from 7½ to 10%: for luxuries, from 12½% to 17½%. As we already propose that there should be no tax on the necessities, the rate for the semi-luxuries should be 2½% to 5½%, and for luxuries be 7½% to 10½%, the last rate being abolished.

Lastly, what is needed is that in enforcing the special consumption tax, our Government should carry it out "honestly" without falling back into the old practice. At the beginning, likin stations were only established in the places where the goods were produced or where the goods were consumed. But after a lapse of time, for the sake of convenience for the collection of revenues, sub-stations and more sub-substations were established, on the way. That explains why we have today so many likin stations even within a short distance. The National Government, being a government of the people, for the people and by the people, we have every confidence that in enforcing the new tax, it would never fall into the old bad practice, and the officials appointed in charge of this tax would be all of sound character.

We believe, should the above tentative suggestions be carried out it might solve the controversy. On one hand, it would not cause much effect to the business of the merchants, as the rate is low, and the commodities taxed are few, and on the other, it would provide more revenue for our government in carrying out more constructive works, and also for the efficiency of the government.

Shanghai, March 5, 1929.

Gen. Nadir Khan Delivers Ultimatum to Habibullah

A *Reuter* telegram from Peshawar, Afghanistan, dated March 18, stated that Gen. Nadir Khan, a former Minister of War, on his arrival in Afghanistan from Paris, had invited Bacha-i-Saquao (Habibullah), who controls Kabul, to discuss the question of selecting a ruler for Afghanistan, on the ground that he, Bacha-i-Saquao, lacks the necessary qualifications to be king.

Nadir Khan is threatening that, if Bacha-i-Saquao declines to cooperate he will use his influence to create a rising of the tribes.

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Men and Events

Dr. Rabindranath Tagore, Indian philosopher and poet, was in Shanghai for a few days this week on his way to Canada.

Roy C. Bennett, managing editor of the *Manila Bulletin*, is expected in Shanghai shortly, where he will spend a brief holiday.

Samuel Sokobin and family have returned to Shanghai. Mr. Sokobin, who is American Consul at Foochow, has been on a holiday trip to the United States.

The first annual meeting and subscription dinner of the Foreign Young Men's Christian Association of Shanghai will be held Thursday, March 28, at 8 p. m.

O. M. Powers, a member of the staff of General Motors, Japan, Ltd., has arrived in Shanghai and will be connected with the office here. Mr. Powers' home is at Vancouver, B. C.

The Institute of Pacific Relations, whose headquarters are at Honolulu, announces that it will hold its third conference in Kyoto, Japan, commencing October 28, to continue for about two weeks.

A recent *Kuo Wen* dispatch from Pengpu reports that as a result of a quarrel between ricsha coolies and chauffeurs a fight developed of such proportions that a number of cars and ricshas were damaged.

Dr. Carl Duisberg, who is connected with one of the largest dye manufacturing firms in Germany, was in Shanghai for a few days last week. He has come to China on a pleasure trip, and incidentally to look into the business situation.

The Union Club Proprietary, Ltd., has issued its report for presentation at the meeting to be held at 38 Avenue Edward VII, Shanghai, March 26. There is a surplus from last year of Tls. 6,539.74, which is to be carried forward.

Dr. John R. Mott will address the first annual meeting of the Board of Trustees of the Foreign Y. M. C. A. on the evening of Thursday, March 28, at which time he will be passing through Shanghai on the s. s. *President Jefferson*, enroute to Japan.

H. R. Ekins, formerly manager of the *United Press* bureau in Honolulu and recently attached to the foreign division in the New York office, will sail from San Francisco March 29, to be attached to the Far Eastern division of said press association.

Dr. Walter Kemmerer, head of the Kemmerer Financial Commission now in Shanghai, addressed the members of the Rotary Club at the regular meeting of the club at the Astor House March 21 on the subject of "The work of financial advisers to governments."

Y. C. Lu, architect for Dr. Sun Yat-sen's Memorial Hall and Tomb in Nanking and Memorial Auditorium and a Monument in Canton, died at his home, 55 Rue Amiral Courbet on the morning of March 17. Mr Lu was 36 years old and unmarried. Mr. Lu had been suffering from cancer for about a year.

W. F. Carey, who spent considerable time in North China several years ago in connection with a survey of the Grand Canal, has been elected president of the Madison Square Garden Corporation, the company which operates the Madison Square boxing arena. Mr. Carey succeeds Tex Rickard, who died sometime ago.

C. H. Shields, for many years a member of the Chinese Postal Service, has retired and probably will not return to China. Prior to his retirement, however, Mr. Shields will represent China at the forthcoming International Postal Congress which will meet shortly at London. Mr. Shields was connected with the Chinese Postal Department for 32 years.

S. Yada, former Japanese Consul-General at Shanghai and Mrs. Yada, were hosts at a reception at their residence at 15 Seymour Road on March 18 that was attended by several hundred friends in the Chinese and foreign communities. Mr. and Mrs. Yada are departing from Shanghai on March 24 and according to their present plans will take a vacation for several months in Japan.

Dr. Alfred Sze, for many years the Chinese Minister to Washington, has been elected an honorary member of the Governing Board of the Council of Cornell University situated at Ithaca, New York. Dr. Sze was a member of the class of 1901 of said institution. The honor has been conferred on him in recognition of services rendered by him in the cause of Sino-American friendship.

More American Airmen Arrive in China

Adding to the group of American aviation experts already in China, there arrived this week aboard the *President Johnson* A. L. Caperton, Mr. Sherman and Mr. Parker, who are all connected with the Curtiss Airplane Company and will work in China for several months in furthering the investigation and research plans of the Aviation Exploration, Inc., a cooperative organization of prominent Americans interested in the advancement of aviation throughout the world.

Several weeks ago the *Review* noted the arrival here of Major W. B. Robertson, president of the Curtiss-Robertson Aircraft Company, St. Louis, and a party which included E. L. Sloniger, an expert air mail pilot, R. R. Riggs, legal advisor to the Curtiss Companies, and James M. Wilson, also associated with the latter organization. It will be recalled that Earl Baskey, another veteran American mail pilot, is now associated with the L. E. Gale Company, of Hankow and Shanghai, who are distributors for Ryan, Eaglerock and other types of American airplanes.

While Major Robertson and the rest of his party have declined to state the exact channel of their plans, it is understood that a contract is being sought with the National Government which will stipulate the use of Curtiss or other American planes for use in an all-China air mail service that is to be inaugurated with the help of Aviation Exploration, Inc.

With Messrs. Caperton, Sherman and Parker there arrived four Curtiss airplanes, which have been taken to Hungjao Field, where they are immediately to be assembled and prepared for air expeditions. The planes include two Curtiss Robins, equipped with "OX-5" motors, one Curtiss Falcon, powered with a Liberty motor, and one Ireland Flying Boat, fitted with a Wright Whirlwind motor.

In an interview with a *Review* representative this week, Mr. Riggs, legal advisor to the Curtiss party, said that permission was being secured from the government to take a party of newspaper men and government officials over a number of projected air mail routes, covering the most important sections of the country, with a view to establishing the safety, practicability and importance of inaugurating a system of air communications in China as soon as possible.

Representatives of British and German aircraft manufacturers also are said to be endeavoring to secure governmental cooperation for similar plans. It is expected that some definite announcement as to the program which is to be followed by the government will be made public within the next few weeks. Meanwhile the three-cornered competition between the Americans, British and Germans for leadership in aeronautical developments in China is being closely observed both here and abroad, as the outcome of the present contest may cast a significant shadow as to the future control of the Far Eastern market for foreign aircraft products.

Shanghai General Chamber of Commerce Holds Annual Meeting

The 81st annual general meeting of the Shanghai General Chamber of Commerce was held March 19. E. T. Byrne, the Chairman, presided, supported by Messrs. V. G. Lyman (Vice-Chairman), H. W. P. McMeekin, A. J. S. Parkhill, R. J. Paterson, O. G. Steen, and J. R. Weeks (members of the Committee).

The chairman in his speech said that although the Chamber was essentially a concern, organised for the promotion and improvement of trade, they find it extremely difficult to avoid politics, as in China at the present time they are very much co-related. In the case of the dismissal of Judge Loo Hsing-yuan the Chamber thought it wise in view of the possible trend by some Governments towards the removal of extraterritoriality, to circulate a letter to the various National Chambers of Commerce—In the course of that letter the point was made that if a Chinese of the standing of the President of the Provisional Court could be treated the way he was, what must be the fate of foreigners?

The Chairman also repeated what he had said last year regarding the various Defence Forces, namely, that he voiced the feelings of all those engaged in business here, both Foreign and Chinese, that any further reduction of the Defence Force would be a serious blow to the confidence that is now returning to Shanghai.

MacMurray May Be Transferred To Tokyo Post

According to an *Associated Press* dispatch appearing in the *Manila Bulletin* on March 16 from Washington it was stated that John Van Antwerp MacMurray, American Minister to Peiping, may be transferred to Tokyo as Ambassador in succession to MacVeigh who is expected to retire. It was stated that "sweeping changes" in the diplomatic service are likely to result from the appointment of Col. Henry L. Stimson as Secretary of State in the Hoover Cabinet. Secretary Stimson arrived in San Francisco on Thursday, March 21 and after a day in that city proceeded to Washington.

Bureau Established for Foreign Correspondents at Nanking

Although foreign Press representatives are not allowed to enter the auditorium where the third Kuomintang Congress is being held at Nanking, the Secretariat has established an information bureau for foreign journalists near the main entrance of the Central Military Academy. The bureau is in charge of S. S. Chow and Edward Bing-Shuey Lee. The aim of the bureau is stated to be to keep foreign journalists informed of what is going on at the Congress.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity		Sale Price Mar. 21	Approx. Yield to Maturity %
The National City Bank of New York		New Stock		418	——
Argentine Government	6	Oct. 1,	1960	99¼	6.05
Australia	4½	May 1,	1956	87½	5.38
U. S. of Brazil	6½	Oct. 15,	1957	93½	7.03
Kingdom of Belgium	7	Nov. 1,	1956	105½	6.56
City of Budapest	6	June 1,	1962	80½	7.62
Canadian Pacific Railway	4	Perpetual Stk.		84½	4.73
Chgo., Milw., St. Paul & Pacific Rwy	5	Jan. 1,	2000	78¼	6.41
Chicago Rapid Transit Co.	6	July 1,	1953	90	6.85
Chile Copper Co. Debs.	5	Jan. 1,	1947	96⅛	5.26
Chile Government (Railway)	6	Feb. 1,	1961	93¼	6.50
Cuba Northern Railway	5½	June 1,	1942	85½	7.24
Republic of Costa Rica	7½	Sep. 1,	1949	101	7.40
Chile Government	6	Sep. 1,	1961	93¼	6.50
Cuban Dominican Sugar Co.	7½	Nov. 1,	1944	92	8.43
Kingdom of Denmark	6	Jan. 1,	1942	103¾	6.59
Dutch East Dadies	5½	Nov. 1,	1953	102½	5.31
Republic of Finland	5½	Feb. 1,	1958	87½	6.46
French Government	7	Dec. 1,	1949	107¼	6.37
German Government	7	Oct. 15,	1949	105⅞	6.48
German Central Bank for Agriculture	6	Oct. 15,	1960	86	7.12
German Central Bank for Agriculture	6	Apr. 15,	1938	90¼	7.51
German General Electric Co.	6	May 1,	1948	89⅛	7.05
Greek Government	6	Feb. 1,	1968	85	7.15
Ilseder Steel Corporation	6	Aug. 1,	1948	84	7.58
Kingdom of Italy	7	Dec. 1,	1951	95⅝	7.41
Japanese Government	6½	Feb. 1,	1954	101	6.42
State of Minas Geraes (Brazil)	6½	Mar. 1,	1958	93½	7.03
Mortgage Bank of Chile	6	Apr. 30,	1961	90½	6.73
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov. 1,	1957	90½	6.22
Kingdom of Norway	6	Oct. 15,	1952	101⅞	5.85
Northern Ohio Power & Light Co.	6½	Jan. 1,	1941	98½	6.68
Republic of Peru	6	Dec. 1,	1960	86¼	7.09
Paris, Lyons & Med. Rwy.	6	Aug. 15,	1958	98¼	6.08
Republic of Panama	5	May 15,	1963	93	5.46
State of Rio Grande Do Sul (Brazil)	6	June 1,	1968	87¼	6.96
Rhine Westphalia Elec. Power Corp.	6	Aug. 1,	1953	93½	6.54
Saxon State Mortgage Inst	6½	Dec. 1,	1946	94¼	7.08
Saxon Public Works, Inc.	6½	May 1,	1951	92¾	7.16
Tokyo Electric Light Co.	6	Jun. 15,	1953	90⅞	6.77
United Kingdom of Gr. Britain	5½	Feb. 1,	1937	104	4.89
City of Vienna	6	Nov. 1,	1952	87¼	7.12
Abitibi Power & Paper Co.	6	Cum. Pfd. Stock.		83	7.23
Belgian Nat'l. Rwy. Pcptg. Pfd. Stock	6	(American Shrs)		83	7.23
Cannon Mills Co. (Dividend $2.80 p. a.)		Common Stock		43½	——
General Mills, Inc.	6	Cum. Pfd. Stock.		97½	6.15
General Mills, Inc. (Div. $3.00 per annum.)		Common Stock		78	——
Hershey Chocolate Corp. Convertible	4	Pfd. Stock		86½	4.62
Mohawk Carpet Mills, Inc. (Div. $2.50 p.a.)		Common Stock		75½	——
Pennsylvania-Dixie Cement Corp	7	Cum. Pfd. Stock.		89	7.86
Willys Overland Co.	7	Cum. Pfd. Stock		99	7.07
General Motors Corp. (New)		Common Stock		87¾	——
Andes Coper Mining Co.		Common Stock		65⅞	——
United States Steel Corp.		Common Stock		187½	——
Standard Oil Co. of New Jersey		Common Stock		53	——
Standard Oil Co. of New York		Common Stock		42	——
Pennsylvania Railroad Company		Common Stock		77	——
United Aircraft & Transport Corp. (p. v. $50)	6	Pfd. Stock		70	4.28
United Aircraft & Transport Corp.		Common Stock		85	——

NOTE: The above quotations are received by Cable, and whilst believed to be correct, are not guaranteed.

Shanghai Exchange for Week Ending Wednesday, 20th March 1929,

Exchange:—The price of Bar Silver in London has moved within a very narrow range since the date of our last circular, and yesterday the price was fixed at 25 7/16d. for spot and 25 1/16d for forward delivery, as against 26d. last week, for both deliveries. The silver markets show very little activity.

During the past week, owing probably to the tense atmosphere which is felt due to the uncertainties which fill the political situation, the firmness of the market has been well maintained, and both exporters and importers have been holding off, which means that the volume of genuine business has been almost negligible. Local speculators animated by the vague rumours which have disturbed the market, have been active in their dealings and gold bars have fluctuated very freely.

The market closes firm and banks were selling at the following rates for June delivery, T/T on London 2/6 7/8d., on New York 62½. Yens 72 1/4.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls. 81,502,000 a decrease of Tls. 972,000

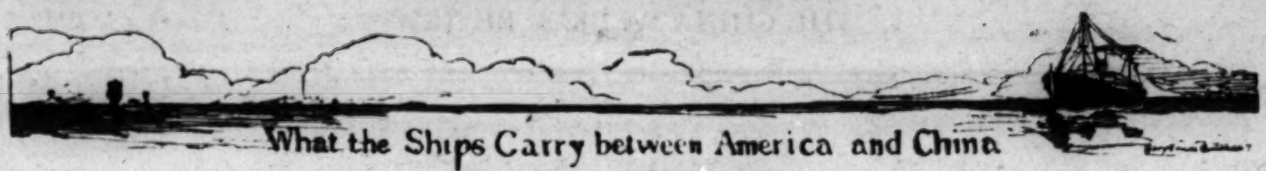
Chinese and Mexican Dollars..... 116,230,000 an increase of $2,760,000

Estimated value Tls. 165,187,000 as against Tls. 115,750,000 held at this time last year.

	Average rates for Feb.	Thursday Mar. 14	Friday Mar. 15	Saturday Mar. 16	Monday Mar. 18	Tuesday Mar. 19	Wed., Mar. 20
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6 487	2/6½	2/6½	2/6½	2/6½	2/6½	2/6½
D/Dfts ,,	—	2/6 9/16	2/6 9/16	2/6 9/16	2/6 9/16	2/6 9/16	2/6 9/16
4 m/s ,,	—	2/6¾	2/6¾	2/6¾	2/6¾	2/6¾	2/6¾
T/T India	168.950	169¼	169¼	169½	169½	169½	169½
T/T France	1,577.500	1580	1580	1580	1580	1580	1580
T/T N. Y.	61.681	61¾	61¾	61¾	61¾	61¾	61¾
T/T On N.Y. Demand		61⅞	61⅞	61⅞	61⅞	61⅞	61⅞
T/T Hamburg R. M.		260	260	260	260	260	260
T/T H'kong	78.962	78⅞	78⅞	78⅞	78⅞	78⅞	78⅞
T/T Japan	73.406	72⅜	72⅜	72⅜	72⅜	72⅜	72⅜
T/T Batavia	153.837	154	154	154	154	154	154
T/T Straits	91.500	91½	91½	91½	91½	91½	91½
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/8.487	2/8½	2/8½	2/8½	2/8½	2/8½	2/8½
4 m/s ,, D/P	—	2/8 5/16	2/8 5/16	2/8 5/16	2/8 5/16	2/8 5/16	2/8 5/16
6 m/s ,, B/L Cred D/A	2/8.800	2/8 3/16	2/8 3/16	2/8 3/16	2/8 3/16	2/8 3/16	2/8 3/16
4 m/s B/F Cred D/A or D/P	1,647.500	1650	1650	1650	1650	1650	1650
4 m/s N.Y. Lcs	64.931	65	65	65	65	65	65
4 m/s ,, Doc.	—	65½	65½	65½	65½	65½	65½

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Mar. 14	Mar. 15	Mar. 16	Mar. 18	Mar. 19	Mar. 20
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	26	26	26	25 7/8	26	25 7/8
**New York Price of Bar Silver per oz. (Pure)	G.$. 56 3/8	G.$. 56 3/8	G.$. 56 3/8	G.$. 56 1/8	G.$. 56 1/4	G.$. 56 1/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chau ping) 978 touch)	Tls. 352.70	Tls. 352.40	Tls. 352.90	Tls. 352.10	Tls. 352.90	Tls. 351
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.90	110.90	110.90	110.90	110.90
Shanghai Mexican Dollars per $100	71.8375	71.85	71.825	71.8125	71.8375	71.8625
Native Bank Rate of Interest (Call money)	1%	1%	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 124.27
Bank of France rate of discount	3½%	New York on London	T/T 485 3/8
London open Market of Dis. 3 m/s	5 7/16%	Bombay on London	T/T 1/6 31/32
,, 4 ,,	5 7/16%	Hongkong on London	T/T 1/11 3/8
,, 6 ,,	5 7/16%	Kobe on London	T/T 1/10



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mille—thousands; Hk. Tls.—Haikwan Tls; Mar. Customs Rate Tls. 1.45 equal Gold $1

SILVERASH, Jan. 22.
From U. S. A.

Cotton, Raw....Bls.	500	Pls. 1,866
Glucose		„ 1,962
Oil, Essential		„ 1
Paper, Chipboard		„ 1,334
Paper, Coated		„ 3,167
Raisins		„ 188
Soap Powder		„ 47
Soda Ash		„ 63
Soda Bicarbonate of		„ 420
Tobacco, Leaf		„ 21,600
Tobacco, Prepared		„ 3
Tonka Beans		„ 11
Manchines, Sewing		Pcs. 9
Oranges		„ 9
Cigarettes		Mille 127,500
Oil, Lubricating, Mineral Galls.		62,272
Machinery		Hk. Tls. 4,698
Treasure:		
Silver Bars		„ 864,112

PRESIDENT HAYES, Jan. 22.
From U. S. A.

Cotton Voile, Printed		Yds. 8,595
Cottons, Yarn-dyed		„ 1,368
Aluminium-foil		Pls. 54
Aluminium Sheets		„ 287
Tinned Plates, Plain		„ 1,210
Bronze Powder		„ 10
Canned Fruits		„ 52
Cuttle-fish		„ 466
Glue		„ 240
Gum Resin		„ 37
Indigo Paste, Artificial: 50 per cent. strength		„ 380
Indigo Powder, Artificial: 100 per cent. strength		„ 5
Macaroni		„ 50
Oranges, Fresh		„ 119
Paper, Coated		„ 886
Paper, Kraft		„ 26
Paper, Printing		„ 28
Paper, Writing		„ 238
Paper, Unclassed		„ 103
Ink, Printing		„ 300
Raisins		„ 188
Shrimps, Dried		„ 110
Soda Silicate of		„ 271
Coffee		Catties 1,350
Bedsteads		Pcs. 151
Motor-cars		„ 25
Motor-trucks		„ 8
Oil, Lubricating, Mineral		Galls 13,041
Rum		„ 16,008
Shoes		Pairs 533
Dyes, Aniline	Pkgs. 15	Hk. Tls. 2,723
Infants' Food		„ 18,962
Motor-cars, Parts of		„ 19,766
Motor-trucks, Parts of		„ 10,788
Treasure:		
Silver Bars		„ 1,666,501

HAKODATE MARU, Jnn. 22.
From U. S. A.

Acid, Nitric		Pls. 90
Cotton, Raw	Bls. 1,150	„ 4,025

JAVANESE PRINCE, Jan. 23.
To U. S. A.

Hides, Buffalo		Pls. 14,428
Skins, Goat, Untanned		„ 760
Skins, Goat, Untanned		Pcs. 10,000

YAMACHICHI, Jan. 23.
From U. S. A.

Tinned Plates, Plain		Pls. 5,164
Indigo Paste, Artificial: 20 per cent. strength		„ 1,909
Sugar of Milk		„ 168
Tobacco, Leaf		„ 9,914
Tobacco, Prepared		„ 1
Wax, Paraffin		„ 5,195
Cigarettes		Mille 52,500
Oil, Lubricating, Mineral		Galls. 39,097
Oil, Kerosene, in Case		„ 24,985
Dyes, Aniline	Pkgs. 411	Hk. Tls. 23 723

MUNCASTER CASTLE, Jan. 23.
From U. S. A.

Cotton Flannel, Yarn-dyed		Pcs. 400
Cotton Goods, Unclassed		Yds. 12,008
Cotton Embroidery		Pls. 2
Aluminium Plates		„ 17
Lead-foil and Tinfoil Mixture		„ 1,158
Corn Syrup		„ 26
Paper, Coated		„ 618
Rope		„ 4
Soda, Caustic		„ 1,470
Tobacco, Leaf		„ 9,161
Tobacco, Prepared		„ 1
Turpentine, Vegetable		Galls 125
Dyes, Aniline	Pkgs. 721	Hk. Tls. 38,217

TENYO MARU, Jan. 25.
To U. S. A.

Tea, Black: Other kinds, Kiukiang		Pls. 124
Tea, Green: Gunpowder, Ningpo		„ 71
Silk Pongees, Shantung		„ 10
Groundnuts, in Shell		„ 53
Tallow, Vegetable		„ 836
Wool, Sheep's		„ 177
Eggs Fresh		Pcs. 22,000
Fans, Straw		„ 50,400

STUART DOLLAR, Jan. 26.
From U. S. A.

Flour, Wheat		Pls. 1,103
Timber: Softwood:		
Round Logs		Sup ft. 97,417
Ordinary, Sawn		„ 1,015,772
Merchantable		„ 300,726
Laths		„ Mille 200

Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 18891-18990 March 19.
Market Irregular. Business done, 4,287,300 Shares.

STOCK	Wed. Jan. 2	Monday Mar. 18	Tuesday Mar. 19
Alleghany Corp		34	33⅞
Allied Chemical & Dye (Com.)	255	285½	285½
American Can (Common)	112⅛	120¼	123
American Locomotive (Com)		120¼	120¼
American Smelting	292	119⅞	120⅝
American Telephone & Tel. (Com.)	195	214	214½
American Tobacco "B"	178⅛	172¼	171¾
Armour & Co. "A"	17⅞	14¼	14½
Armour & Co. (Ill.) 7% Pfd.	83½	80	79¼
Anaconda Copper	118½	162⅞	167½
Andes Copper		64⅜	65⅜
Atlantic Refining (Com)		63	62¾
Baltimor & Ohio		125¼	126⅛
Bank of Montreal	395	363	361
Bethlehem Steel (Common)	88	108⅜	107¾
Calumet & Hecla	48⅛	57¾	58¾
Campe Corp.	100	97	None
Canadian Pacific Railway	245¾	244	246½
Chrysler	133¼	111⅜	111⅜
Consolidated Gas of New York	108¼	107½	108⅛
Coty Incorporated	76	60	67¼
Davison Chemical	62	64½	64¾
Dry Docks		20	20½
Du Pont de Nemours E. I. (Com.)	504	185	185
Eastman Kodak	182¾	None	181
Fox Film "A"		91½	95⅝
General Electric Co.	245¼	238½	236¼
General Motors	192⅞	88½	87½
General Railway Signal (Com.)	102½	104	103¼
Gold Dust	146	69⅜	69
Goodrich Rubber		97	96
Granby Consolidated	91	99	101
Great Western Sugar		37	37
Haygart	48	75¾	79¼
International Cement (Common)	95⅛	92	92½
International Match, Pfd.	95⅝	89½	89⅜
International Nickel (Common)	45⅞	59⅞	59⅛
International Printers Ink	59½	56¼	56⅛
International Products Corp. (Com.	13	None	11⅛
Kelvinator	16¼	15¾	Mult.
Kennecott Copper	158	103	104⅜
Liggett & Myers, Class "B"	92⅞	90	91
Mack Trucks	111¼	105¼	106
Madison Square Garden	21½	22	23
Mathieson Alkali		199	197
Missouri Pacific (Com.)	67⅞	80½	80⅝
Nash Motors		107½	107½
National Dairy Products	128	129½	129⅛
National Distillers Pfd.		81¼	81
Nevada Consolidated Coppor		61⅜	61¾
New York Central Railroad		188½	190
Norfolk & Western		194	196½
North American Aviation		15¾	16
Pacific Gas & Electric Co.	54	56⅞	56½
Packard Motor Car Co. (Com)	151¼	139⅛	138⅝
Paramount Lasky		70	70½
Pennsylvania Railroad	78⅛	76¾	76⅞
Phillips Petroleum	46½	41	41
Radio Corporation	394¼	500	485
Reynolds Tobacco, "B"	157	58½	57¼
Shell Union Oil		29	28⅞
Southern Pacific Railway		129¼	130
Standard Gas & Electric (Com)	87	90	88⅞
Standard Oil of New Jersey	54¼	54¼	53
Standard Oil of New York	44⅞	42	42
Texas Corporation (Common)	67⅞	65⅛	65⅛
Texas Gulf Sulphur	81	75½	75¼
Timken Roller Bearing	148¼	83½	83⅜
Union Carbide	206⅞	218¼	219¼
Union Pacific Railroad (Com)	218½	219	219¼
U. S. Inter. Security Pfd.	100	Mutl.	Mutl.
United States Leather "A"	59¾	48	47
United States Realty & Imp Co.	84	95⅞	98½
United States Steel	162¾	186⅝	187¼
Vanadium Oil		130	128¼
Vanadium Corp.	103	103¼	104
Westinghouse Elec. (Com)	143	156	155¼
Willys Overland Co.	34	30	29½
Wright Aeronautical	270	270	273

Swan Culbertson & Fritz

Investment Securities—Local & Foreign

Safe Deposit Facilities

New York stock quotations received daily

Sassoon House Telephones 18764-18890-18891

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with its picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai at Shanghai North Station.

Chinese Government Railways

Peiping-Hankow Line

"The Road Through the Heart of China"

Time Table

In effect Feb. 20, 1929

From Peiping to Hankow

Station / Train	Peiping	Shihkiachuan	Chengchow	Hsiaokanhsien	Hankow
*No. 1	d.18.00	a. 2.16 d. 2.56	a.17.15 d.17.35	d.11.49	a.14.20
*No. 11	d. 9.55	a.19.27 d.20 07	a.13.26 d.13.46	a.12.18 d.12.23	a.16.05
*No. 3			d.13.15	a. 7.18 d. 7.21	a. 9.50
No. 9	d. 9.40	a.18.21 d.19.01	a 10.50		
No. 23	d. 5.40	a 21.44			
No. 25		d. 3.45	a. 5.05		
No. 27			d.10.06	a.20.07 d.20.37	a. 2.33
No. 75				d.13.00	a.17.05

From Hankow to Peiping

Station / Train	Hankow	Hsiaokanhsien	Chengchow	Shihkiachuan	Peiping
*No. 2	d.18.00	d.20.39	a.14.28 d.14.48	a. 5.05 d. 5.45	a.13.50
*No. 12	d.10.50	a.14.51 d.14.56	a.13.13 d.13.33	a. 7.32 d. 8.12	a.17.30
*No. 4	d.13.30	a.16.01 d.16.03	a.10.05		
No. 10			d.17.41	a. 9.33 d.10.13	a.18.35
No. 28	d. 1.00	a. 7.00 d. 7.20	a.17.34		
No. 26			d.22.34	a. 2.15	
No. 24				d. 7.40	a.20.06
No. 74	d. 7.45	a.11.39			

REMARKS: *With First, Second and Third Class Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peiping-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

SMOKE

CAPSTAN

HIGH GRADE
VIRGINIA CIGARETTES

THE
QUALITY
NEVER VARIES

MADE IN ENGLAND & SOLD EVERYWHERE

25-838

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